

Reference Number	
Reference Depart.	Purchasing Department

Master Agreement

Owner: Cobb County Board of Commissioners
100 Cherokee Street
Marietta, GA 30060

Contractor: Stericycle, Inc., its Subsidiaries and Affiliates
28161 N. Keith Drive
Lake Forest, IL 60045

Description: **DOCUMENT AND MEDIA DESTRUCTION SERVICES:** The undersigned parties understand and agree to comply with and be bound by the entire contents of **Sealed Bid # 18-6320** ("the RFP") and the Contractor's Proposal submitted February 8, 2018 which is incorporated herein by reference. Contractor understands and agrees that insurance required in the Request for Proposals are to be kept current at all times through the length of each term and for ninety (90) days following the completion of each term. Insurance must be renewed and presented to the Owner at the time of each renewal term if Owner chooses to renew. Insurance shall be written by a firm acceptable to the Owner as specified in the Request for Proposals.

U.S. COMMUNITIES GOVERNMENT PURCHASING ALLIANCE: Contractor agrees to enter into the U.S. Communities Administration Agreement that is included in the RFP ("Administration Agreement"). Any Public Agency, as defined in the Administration Agreement, may purchase Products and Services at the prices indicated in the Contractor's Proposal upon prior registration with U.S. Communities, and in accordance with the terms of the Administration Agreement.

Terms: **May 15, 2017 to May 14, 2020** with full renewal option per the Request for Proposals. Owner shall exercise renewal options by issuance and delivery to Contractor of a written notice to renew this agreement. Contracts executed with public entities in the state of Georgia shall be in compliance with multi-year contract provisions of O.C.G.A. Section 36-60-13. The products and services which are subject to this Master Agreement may be covered by a service or maintenance agreement. The term of the service or maintenance agreement shall be governed by that document and may extend beyond the expiration date of this Master Agreement.

Price: Prices for services, equipment and delivery charges, if applicable, as stated in the Contractor's proposal.

Billing: For purchases made by Cobb County Government, all original invoices shall be submitted directly to the Cobb County Finance Department. Invoices shall bill only for items received during the period covered by the invoice and shall clearly identify such items in accordance with invoicing guidelines in the Sealed Bid Proposal. For purchases made by participating public agencies, the Contractor shall comply with each agency's invoicing and billing requirements.

{SIGNATURES ON NEXT PAGE}

IN WITNESS WHEREOF, this Agreement has been executed by Owner and accepted by Contractor to be effective as of the date first above written.



Cobb County... Expect the Best!

Cobb County Board of Commissioners
100 Cherokee Street
Marietta, GA 30060

Michael H. Boyce

Michael H. Boyce, Chairman
Cobb County Board of
Commissioners

5/29/18



Stericycle, Inc., its Subsidiaries and
its Affiliates
Houston, Texas 77095

Ann Nichols
Authorized Signature

VP, National Accts.
Title

Date: 5/21/18

Approved as to form

May G... [Signature]
County Attorney's Office

5/17/18
Date

FEDERAL TAX ID NUMBER

363640402

APPROVED
PER MINUTES OF
COBB COUNTY
BOARD OF COMMISSIONERS

5/8/18

**Sealed Bid #18-6320
Request for Proposal
Document and Media Destruction Services
Cobb County Purchasing Department**

Document List

- 01 Shred-it Bid Submittal Form
- 02 Shred-it Addendum 1
- 03 Shred-it RFP Page 6
- 04 Shred-it Cover Letter for Cobb County – USC Final
- 05 Shred-it Executive Summary for Cobb County – USC Final
- 06 Shred-it Final response – Bid #18-6320 RFP Cobb County Purchasing
- 07 Shred-it – US Communities Administration Agreement Executed
- 08 Shred-it Supplier Worksheet
- 09 Shred-it Exhibit A
- 10 Shred-it Cost Proposal Form
- 11 Stericycle 10-K 12-31-16
- 12 Sample End User Agreement – Shred-it Shredding
- 13 Sample End User Agreement – Stericycle Universal Waste
- 14 Sample End User Agreement – Mailback Service Agreement
- 15 – Shred-it Org Chart – Cobb County US Comm RFP
- 16 Shred-it Container Options
- 17 Shred-it Sample Certificate of Destruction – US
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- 19 STC Customer Facing_ Mailback for Shred-it Reps



BID SUBMITTAL FORM

SUBMIT BID/PROPOSAL TO:

Cobb County Purchasing Department
122 Waddell Street
Marietta, GA 30060

BID/PROJECT NUMBER: 18-6320

**Request for Proposal
Document and Media Destruction Services
Cobb County Purchasing Department**

**DELIVERY DEADLINE: FEBRUARY 8, 2018 BEFORE 12:00 (NOON) EST
(NO BIDS/PROPOSALS WILL BE ACCEPTED AFTER THIS DEADLINE).**

Bid Opening Date: February 8, 2018 @ 2:00 P.M. in the Cobb County Purchasing Department, 122 Waddell Street, Marietta, Georgia, 30060.

BUSINESS NAME AND ADDRESS INFORMATION:

Company name: SHRED-IT (STERICYCLE)

Contact name: VIC JOVINO


Company address: _____

E-mail address: VIC.JOVINO@STERICYCLE.COM

Phone number: 201-892-7391 Fax number: 973-244-8160

NAME AND OFFICIAL TITLE OF OFFICER GUARANTEEING THIS QUOTATION:

VIC JOVINO DIRECTOR, GOVERNMENT PROGRAMS
(PLEASE PRINT/TYPE) NAME TITLE

SIGNATURE OF OFFICER ABOVE: 
(SIGNATURE)

TELEPHONE: 201-892-7391 FAX: 973-244-8160

BIDDER WILL INDICATE TIME PAYMENT DISCOUNT: NONE

BIDDER SHALL INDICATE MAXIMUM DELIVERY DATE (UNLESS OTHERWISE SPECIFIED IN BID SPECIFICATIONS)
UP TO 7 DAYS ARO

Bids received after the date and time indicated will not be considered. Cobb County reserves the right to reject any and all bids, to waive informalities, to reject portions of the bid, to waive technicalities and to award contracts in a manner consistent with the county and the laws governing the state of Georgia.

The enclosed (or attached) bid is in response to Bid Number **18-6320**; is a firm offer, as defined by section **O.C.G.A. (s) 11-2-205 of the code of Georgia (Georgia laws 1962 pages 156-178)**, by the undersigned bidder. This offer shall remain open for acceptance for a period of 90 days calendar days from the bid opening date, as set forth in this invitation to bid unless otherwise specified in the bid documents.

NOTICE TO BIDDERS - - BID QUOTES MUST INCLUDE INSIDE DELIVERY CHARGES



**COBB COUNTY
PURCHASING DEPARTMENT**

122 Waddell Street NE
Marietta, GA 30060
770.528.8400 • fax: 770.528.8428
purchasing@cobbcounty.org

William J. Tommie, Jr., CPPO
Purchasing Director

ADDENDUM No. 1

**Sealed Bid # 18-6320
Request for Proposal
Document and Media Destruction Services
Cobb County Purchasing Department**

Date: January 31, 2018

Page 1 of 8

The following addendum hereby amends and/or modifies the Proposal Documents and specifications as originally issued for this project. All proposers are subject to the provisions of this Addendum.

This Addendum consists of:

- Minutes, Questions, Clarifications from Pre-Proposal Meeting held on January 23, 2018
- Questions Submitted in Writing
- Sign-In Sheets from Pre-Proposal Meeting

Receipt of addendum **MUST** be acknowledged in the submitted proposal. It is the Proposer's ultimate responsibility to ensure that they have all applicable addenda prior to bid submittal.

This acknowledgment form must be signed, dated, and included with your submitted proposal

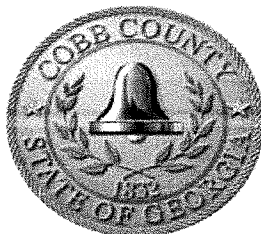
STERNCYCLE/SHRED-IT
Company Name

JAN 31, 2018
Date

[Signature]
Signature

VIC JOVINO
Please Print Name

All bids must be received before 12:00 (noon) by the Bid Opening date. Bids shall be delivered to Cobb County Purchasing Department, 122 Waddell Street, Marietta, GA 30060.



Cobb County...Expect the Best!

REQUEST FOR PROPOSAL

Sealed Bid #18-6320
Document and Media Destruction Services
Cobb County Purchasing Department

Bid Opening Date: February 8, 2018

Pre-Proposal Conference: January 23, 2018 @ 11:00 AM (E.S.T.)
Cobb County Purchasing Department
122 Waddell Street
Marietta, Georgia 30060

Proposals Are Received In the Cobb County Purchasing Department
122 Waddell Street
Marietta, GA 30060

Before 12:00 (Noon) By the Bid Opening Date

Proposal Will Be Opened In the Cobb County Purchasing Department at 2:00 pm
122 Waddell Street
Marietta, GA 30060

VENDORS ARE REQUIRED TO SUBMIT THE ORIGINAL AND 2 COPIES AND 10 FLASH DRIVES OR CDS
(UNLESS OTHERWISE SPECIFIED IN BID SPECIFICATIONS)

NAME: VIC JOVINO / STERICKLE (SHARE-IT)

ADDRESS: 81 WALSH DR. PARLIPPANY, NJ 07054

REPRESENTATIVE: VIC JOVINO DIRECTOR, GOVERNMENT PROGRAMS

PHONE: 201-892-7391 FAX: 973-244-8160

E-MAIL VIC.JOVINO@STERICKLE.COM

Note: The Cobb County Purchasing Department will not be responsible for the accuracy or completeness of the content of any Cobb County Invitation to Bid or Request for Proposal or subsequent addenda thereto received from a source other than the Cobb County Purchasing Department.

February 8, 2018

Re: Cover Letter

Dear Cobb County Purchasing Department:

Shred-it appreciates the opportunity and is pleased to respond to this Request for Proposal (RFP) for Document and Media Destruction Services. As the largest national provider of secure destruction services for documents and media, Shred-it is well equipped to meet the needs of Participating Public Agencies virtually anywhere in the U.S. that they may be located.

We also know the obligation for public agencies to manage secure destruction and compliance requirements does not end with paper and media. There are other materials which are being collected in offices, facilities and institutions across the country which must be removed and disposed of in a responsible manner, and one which is in compliance with regulatory agencies. For this reason, we have also included the ability for public agencies to utilize our mailback services for the disposal of biohazardous waste material such as medical waste and sharps, as well as universal waste which includes batteries, lamps, and mercury containing equipment.

Established in 1988, Shred-it was one of the first paper shredding companies in the world. Today, Shred-it has grown to be a global leader, providing secure document destruction services to over 400,000 customers in 170 markets around the world. In October 2015, Shred-it was acquired by Stericycle, but continues to operate as a separate business unit.

Summary of Available Service Lines

Stericycle and Shred-it have facilities located across the U.S. and around the world, operating in 22 countries across 6 continents.

Shred-it Solutions:

- Document Destruction - Shred-it offers both on-site and off-site document destruction in all of its 170 markets. Both services ensure that strict Chain of Custody procedures are followed from the moment a customer's documents are placed in Shred-it secure containers to the moment they are shredded.
- Hard Drive and eMedia Destruction - Shred-it customers can securely and permanently dispose of confidential information stored on many types of electronic media including: hard drive (any kind of laptop, desktop, PATA, SATA, and many more), backup magnetic tapes (any kind of DLT, mini cartridges and

many more), floppy disk (3.5 inch disks, 5.25 inch disks, and many more), zip disks (100 MB, 250 MB, and other large disks), and optical media (CDs, DVDs, Blue Ray, HD DVD).

Additional Shred-it (Stericycle) Solutions:

- Online Products Store
- Regulated Medical Waste Management
- Compliance Services
- Pharmaceutical Waste
- Integrated Waste Stream Solutions
- Specialty or Universal Waste Management
- Sharps Management

Additional information can be provided upon request, or can be found on our website at www.stericycle.com.

Green Initiatives

While committed to protecting our customer's information, Shred-it is also focused on environmental sustainability.

- Confidential documents are shredded and baled at Shred-it secure facilities and 100% of the shredded paper is recycled.
- When Shred-it started to manufacture its own fleet, a conscious decision was made to use biodegradable hydraulic fluid to reduce any adverse impact on the environment.
- Certificate of Environmental Accomplishment – all customers receive an Annual Certificate of Environmental Accomplishment which outlines their contribution to the environment, and details how their recycled shredded paper is saving trees.
- Good Riddance Day and Community Shred Days – give community members an opportunity to have their confidential documents destroyed on site, for a minimal fee or a donation to a local charity. We offer these events to raise awareness and promote prevention against consumer fraud and identity theft.

Our Value to Cobb County and US Communities

In the area of secure information management, this is our only business. Shred-it does not compromise our service by offering services which may seem similar (such as document storage) but in fact may put the customer at risk due to improper handling of confidential information.

As a result, we are specialists in securing confidential information, and we do this by offering the most secure chain-of-custody in the industry, the best customer experience (customer service and operational excellence), and through continuous investment in our business to meet our customer's needs by offering innovative solutions.

- Shred-it continues to be very active in the acquisition of smaller competitors that add to our market share and expand our geography. We average 10 acquisitions per quarter globally. Also, our organic growth is very strong, as our sales team outsells the competition in virtually every market we operate; we are committed to growing the shredding business under both on-site and off-site shredding models. With an ever-expanding geographic footprint, we do not anticipate using any subcontractors to service participating agency locations.
- Information security is the core of Shred-it's business; our 100% focus on information security makes us a Best of Class Supplier. All of our corporate resources are dedicated to secure information destruction, while other vendors offer different business lines.
- Shred-it has 186 locations, 59 of which are secure destruction centers. By far, we have the most locations in the industry, and as a result do not have to transport customer confidential material across great distances for destruction.
- Shred-it embraces a Risk Reduction Culture - Secure Chain of Custody Protocols are followed for every service.
- Largest geographic coverage - Shred-it self-performs services in over 99% of the zip codes in the USA. By reducing our use of subcontractors, Shred-it is able to provide consistent service, pricing, billing and reporting across a national platform for our customers.
- We have the largest fleet of vehicles available nationally, with 2,000+ purpose built vehicles servicing our customers from coast to coast.
- Complimentary Security Risk Assessments - our team members assess local sites for overall optimization and "right sizing", available at no additional cost for our customers.
- Dedicated National Accounts Management and Support Team - members are intimately familiar with your program; our support team is located nationally vs. an off-shore call-center approach.

Shred-it would like to thank Cobb County and U.S. Communities for the opportunity to present our proposal. We hope that you will agree Shred-it is the best partner with whom to provide the security and compliance required for all of the Participating Public Agencies.

I am pleased to be the primary point of contact for discussions and negotiations related to our submission. Please reach out at any time if I can provide additional information or clarification of our proposal.

Regards,



Vic Jovino

Director, Government Programs

201-892-7391

Vic.Jovino@STERICYCLE.com

February 8, 2018

Re: Executive Summary

Shred-it appreciates the opportunity to respond to this Request for Proposal (RFP) for Document and Media Destruction Services. As the largest national provider of secure destruction services for documents and media, Shred-it is well equipped to meet the needs of Participating Public Agencies virtually anywhere in the U.S. that they may be located.

We also know the obligation for public agencies to manage secure destruction and compliance requirements does not end with paper and media. There are other materials which are being collected in offices, facilities and institutions across the country which must be removed and disposed of in a responsible manner, and one which is in compliance with regulatory agencies. For this reason, we have also included the ability for public agencies to utilize our mailback services for the disposal of biohazardous waste material such as medical waste and sharps, as well as universal waste which includes batteries, lamps, and mercury containing equipment.

Overall Program Scope

In order to ensure the Participating Public Agencies meet required levels of security and compliance, Shred-it is offering the following solutions:

- Document Destruction - Shred-it will provide both scheduled and purge (on-demand) services. These services are offered either as on-site (at an agency location) or off-site (at a Shred-it location). Both services ensure strict Chain of Custody procedures are followed from the moment documents are placed in Shred-it secure containers to the moment they are destroyed.
- Hard Drive and eMedia Destruction - Shred-it customers can securely and permanently dispose of confidential information stored on many types of electronic media including: hard drives (any kind of laptop, desktop, PATA, SATA, and many more), backup magnetic tapes (any type of DLT, mini cartridges and many more), floppy disk (3.5 inch disks, 5.25 inch disks), zip disks (100 MB, 250 MB, and other large disks), and optical media (CDs, DVDs, Blue Ray, HD DVD). Shred-it is able to provide both scheduled and purge (on-demand) services, and these services are offered either as on-site or off-site.
- Mailback programs – Shred-it will provide the necessary equipment to enable agencies to remove various types of waste products from their environment in

order for the material to be transported to a Stericycle facility for processing and recycling, where possible. These products include:

- Biohazardous material – containers for storage and USPS approved mailing of regulated medical waste or medical waste
- Sharps management – containers for storage and USPS approved mailing of sharps for processing and recycling
- Universal waste – containers for collecting materials such as fluorescent light bulbs, batteries, lamps and mercury-containing equipment for their transportation

Additional detailed information can be provided upon request, or can be found on our website at www.stericycle.com.

Roadmap to Success

Executive level support from the highest level within the Shred-it and Stericycle organization.

Shred-it has presented a marketing program which will provide the ability to launch and grow the Cobb County and U.S. Communities program across the U.S.

Our pricing is competitive and flexible in order to accommodate a variety of service requirements.

Our vast team of sales professionals will be oriented toward working with all eligible public agencies.

Supporting Cobb County and U.S. Communities

- Complimentary Security Risk Assessments - our team members assess local sites for overall optimization and “right sizing” available at no additional cost for our customers.
- Dedicated National Accounts Management and Support Team - members are intimately familiar with your program; our team members are located nationally vs. an off-shore call center approach.

**Sealed Bid #18-6320
Request for Proposal
Document and Media Destruction Services
Cobb County Purchasing Department**

February 8, 2018

**Attention: Cobb County Purchasing Department
122 Waddell Street
Marietta, Georgia 30060**

1) Company Background / Profile

Provide information on company background to include the following:

a. Legal name, address, phone and fax numbers, e-mail, Federal ID#, and website address.

- i. Shred-it USA LLC
c/o Stericycle Inc.
28161 N Keith Dr.
Lake Forest, IL 60045

National Accounts Customer Care Team: 877-450-6287

National Accounts Customer Care Team:

servicerequests@stericycle.com

Federal ID#: 46-5506074

Website address: www.shredit.com; www.stericycle.com

b. Date business was established under current name.

- i. September 1995 – Delaware, USA

c. Size of company including the total number of employees.

- i. Stericycle / Shred-it is a large company; Stericycle employs 25,000 employees around the world.

d. Type of ownership or legal structure of business

- i. Corporation

e. Has the company ever failed to complete work for which a contract was issued? If yes, explain the circumstances.

- i. To the best of our knowledge, this has only occurred as a result of situations beyond the control of either the customer or Shred-it, such as a project which may have had funding terminated or requirements for service changed drastically beyond what may have been proposed.

f. Are there any civil or criminal actions pending against the firm or any key personnel related in any way to contracting? If yes, explain in detail. Are there any current unresolved disputes/allegations?

- i. Stericycle, Inc. operates in a highly regulated industry and must deal with regulatory inquiries or investigations from time to time that may be instituted for a variety of reasons. We are also involved in a variety of civil litigation from time to time. Information regarding current litigation can be found in our quarterly reports which are available on www.stericycle.com.

g. Has the firm ever been disqualified from working for any public entity? If yes, explain the circumstances.

- i. To the best of our knowledge, no, we have never been disqualified from working for any public entity.

2) Experience

Include a list of the five (5) most relevant or comparable contracts completed by your firm during the past five (5) years with a public entity. For each contract, provide the following information.

- a. **Scope of services/contract description (including dates).**
- b. **Dollar value of contract.**
- c. **Assigned project personnel.**
- d. **The contracting entity's contact person, phone number, and e-mail address as reference information**
 - i. As a security company, we do not disclose information about our customers. Shred-it would like to request providing references, if short-listed and an NDA is signed. Shred-it will solicit approval from agencies and provide references at that time.

3) Product Information / Service Capability

- a. **Include detailed catalogs, descriptive literature, and/or a website address that lists all services and associated items that can be provided by the Proposer under this contract.**

- i. **Scheduled and Purge (On-Demand) Secure Destruction**

Services include: Regularly-scheduled paper shredding services, purge (on-demand) shredding services, hard drive destruction services, media destruction services, and specialty shredding services. Detailed information can be found on www.shredit.com under the "Services" page.

- ii. **Biohazardous Waste Disposal:** This mailback program includes everything a customer requires to properly and safely package and dispose of red bag waste (including gloves, bandages, gauze, spill kills), as well as sharps waste (needles, injector pens, syringes).

Detailed information can be found at:

<https://www.stericycle.com/services/waste-services/biohazardous-waste>.

- iii. **Universal Waste Management:** This mailback program includes everything a customer requires to properly and safely package and dispose of fluorescent lamps, mercury containing devices, dry and wet cell batteries, ballasts, smoke detectors. Detailed information about all our Universal Waste Services can be found at:

<https://www.stericycle.com/services/waste-services>.

- iv. **Related Products and Services:** In addition to the Secure Information Destruction and Medical Waste Services listed above, Stericycle also offers the following for its customers: Compliance

Training, Environmental Solutions, Sustainability Services, Communication Solutions, Retrieval/Quality Audits, and Recalls. Detailed information about each of these services can be found at: <https://www.stericycle.com/>.

b. Provide detailed information on service capabilities of your offering.

i. Scheduled and Purge (On-Demand) Secure Destruction Services:

1. As per your schedule, our Customer Security Representative (CSR) will arrive at your locations. CSRs are easily identifiable, as they wear a Shred-it uniform and always have a photo ID badge visible. Our CSRs are background-checked and drug-screened prior to employment, as well as annually.
2. Each console or tote is opened and the barcode is scanned. Our handhelds provide audit capabilities, allow for time-in and time-out tracking and console location tracking which validates that all of our containers at a customer's location were serviced. The contents of the customer's containers are emptied into a secure tote and transported to the secure, locked and GPS-monitored truck for transport to the Shred-it facility. This is when Shred-it takes custody of the clients' confidential materials. Inclement weather such as windy or rainy days do not affect services, as client confidential materials are kept in a secured tote until destruction is completed on-site in a truck, or off-site at one of our secure facilities.
3. For on-site service: documents are loaded directly into the hopper on the truck and shred; hard drives and eMedia are sheared or punched to ensure destruction. All destruction services are completed before the truck leaves a customer's facility, where a representative can witness the process. For off-site service: paper and eMedia are securely transported to the nearest Shred-it plant. NAID certification requires confidential documents to be destroyed within 72 hours. Trucks are locked with BABACO locks that are not able to be cut with bolt-cutters and activate an alarm if compromised. If all locks on the truck are not secured, the truck will not start and the Customer Security Representative is unable to drive away. This ensures customer confidential materials are secured during transport, even after destruction. Trucks are also GPS-monitored at all times. Shred-it facilities are keycard/keypad access controlled, closed circuit television (CCTV) security cameras are in place, and all materials are held in secured areas until the destruction process is complete.

4. Once customer confidential materials are destroyed, the customer is issued a Certificate of Destruction (COD). The COD also provides information regarding the next service date.
5. Shredded/destroyed documents are securely baled for recycling at one of Shred-it's secure facilities. Destroyed hard drives and eMedia are sent to an approved, domestic e-waste recycler, and not shipped overseas.
6. Bales containing shredded documents are recycled into a variety of paper products.

Hard drive and eMedia destruction services: Shred-it customers can securely and permanently dispose of confidential information stored on many types of electronic media including: hard drive (any kind of laptop, desktop, PATA, SATA, and many more), backup magnetic tapes (any kind of DLT, mini cartridges and many more), floppy disk (3.5 inch disks, 5.25 inch disks, and many more), zip disks (100 MB, 250 MB, and other large disks), and optical media (CDs, DVDs, Blue Ray, HD DVD).

- ii. **Biohazardous Waste Disposal:** Regulated Medical Waste Services are structured as needed, and include Soft waste (gloves, gowns, tissue, blood and blood products) and Sharps waste and containers (needles / syringes, pipettes, broken glass, culture slides and dishes).
- iii. **Universal Waste Management:** Universal Waste Services are structured as needed, and include batteries, pesticides, mercury-containing equipment, and lamps. Certain states also classify the following materials as Universal Waste: aerosol cans, antifreeze, ballasts, barometers, cathode ray tubes (CRTs), electronics, oil-based finishes, paint and paint-related wastes, and hazardous waste pharmaceuticals.

4) Cost

- a. Provide rates for onsite and offsite service of the types listed in Appendix A-1. Rates shall be provided for scheduled service and on-demand service.
- b. Provide rates for the additional services listed in Appendix A-1. Insert any other services included in your offering and provide the corresponding rates.
- c. Indicate whether there exist any metro areas where rates will differ from those of the rest of the continental United States.

- d. **Volume Discounts or Rebates – Include any volume discounts or rebates available to Participating Public Agencies (such as prompt pay discounts, etc.).**
 - i. Please see the attachment provided titled “Shred-it Cost Proposal Form” for pricing. The rates listed in the tables are presented as ceiling prices or not to exceed rates for the proposed services. This way, prices may be adjusted to take into account special projects, larger volumes or multiple locations. Prices listed are fixed for the initial 36-month term. Starting with the additional 12-month periods, prices may be increased up to the Consumer Price Index for All Items by permission of the Cobb County Purchasing Department.

5) Financial Statements

Proposers shall submit a recent history of financial solvency and provide the following:

- a. Financial Statement: Include the most recent, independently certified financial statement. Financial statements must include a balance sheet and income statement.**
 - i. We have provided printed copies of pages 43-48 of Stericycle's annual 10-K for our financial statements. We have provided the full 10-K as an electronic attachment on the USB drives.
- b. Name and address of firm preparing the attached financial statement.**
 - i. Ernst & Young
Five Times Square, New York, NY 10036
- c. State whether the Proposer has ever had a bankruptcy petition filed in its name, voluntarily or involuntarily. If yes, specify all relevant details.**
 - i. No.

6) Cobb County General Instructions for Proposers, Terms and Conditions

Shred-it is proposing the following modifications in order to clarify the certain provisions of the agreement. These proposed modifications are subject to further discussion:

IX. Insurance –

A. Requirement:

Contractor shall procure and maintain in full force and effect for the duration of this Agreement, insurance protecting against claims for injuries to persons or damages to property which may arise from or in connection with performance of the Work hereunder by the Contractor, his agents, representatives, employees, ~~or subcontractors.~~

B. Minimum Limits of Insurance:

Contractor shall maintain insurance policies with coverage and limits no less than:

- i. Commercial General Liability: \$1,000,000 combined single limit per occurrence for comprehensive coverage including bodily and personal injury, sickness, disease or death, injury to or destruction of property, including loss of use resulting therefrom, damage for premises/operations, products/completed operations, ~~independent contractors and~~ contractual liability (specifically covering the indemnity), broad-~~from form~~ property damage, and underground, explosion and collapse hazard. This coverage may be achieved by using an excess or umbrella policy. The policy or policies must be on “an occurrence” basis (“claims made” coverage is not acceptable).
- ii. Commercial Automobile Liability (owned, non-owned and hired): \$1,000,000 combined single limit per occurrence and for bodily and personal injury, sickness, disease or death, injury to or destruction of property, including loss of use resulting therefrom.
- iii. Workers' Compensation and Employers Liability: Workers' Compensation limits as required by the State of Georgia and Employers Liability of \$1,000,000 per occurrence or disease.
- iv. Professional Liability (Errors and Omissions) Coverage: \$1,000,000 combined single limit per ~~occurrence claim~~ is required, in the event a contractor is performing ~~design, engineering or other~~ professional services.
- v. Commercial Umbrella or Excess Liability Coverage: \$2,000,000 in liability excess coverage per occurrence above the contracts stated minimum coverage limits for Commercial General Liability, Commercial Automobile Liability, and ~~the Workers' Compensation and~~ Employers Liability policies of insurance. This may be satisfied by having the underlying liability limits that equal or exceed

the combined amount of the underlying liability limits and umbrella coverage.

~~vi. Builder's "All Risk" Insurance: In the event Contractor is performing construction services under the Contract, Contractor shall procure and maintain "All Risk" Builder's insurance, written on a commercially recognized policy form, providing coverage for the Work performed under the contract, and the materials, equipment or other items incorporated therein, while the same are located at the construction site, stored off site, or at the place of manufacture. The policy limit shall be in a minimum amount equal to the "full insurable value" of such equipment and 100% of the value of the Contract, including any additional costs which are normally insured under such policy. The insurance coverage shall include boiler and machinery insurance on a comprehensive basis and include coverage against damage or loss caused by earth movement (including but not limited to earthquake, landslide, subsidence and volcanic eruption), fire, flood, hurricanes, explosion, hail, lightning, weather, vandalism, malicious mischief, wind, collapse, riot, aircraft, smoke, or other cataclysmic events, and coverage against damage or loss caused by machinery accidents and operational and performance testing, commissioning and start up, with extended coverage, and providing coverage for transit, with sub limits sufficient to insure the full replacement value of the property or equipment removed from its site and while located away from its site until the date of final acceptance of the Work.~~

~~The making of progress payments to the Contractor shall not be construed as relieving the Contractor or its subcontractors or insurance carriers providing the coverage described herein for responsibility for loss or direct physical loss, damage or destruction occurring prior to final acceptance of the Work.~~

C. Deductibles and Self-Insured Retention

~~Any deductibles or self-insurance retentions must be declared and approved by Owner so that Owner may ensure the financial solvency of the Contractor. At the option of Owner, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects Owner, its officers, officials, and employees; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses. Contractor shall pay all deductibles and be liable for all claims, losses and damages for which it self-insures.~~

D. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

- i. General Liability, Automobile Liability, and Umbrella/Excess Insurance
 - (a) Additional Insured Requirement. Cobb County, its elected and appointed officials, officers, boards, commissions, officers, employees, representatives, servants, volunteers and agents (hereinafter referred to as “Insured Party” or “Insured Parties”) are to be **covered as additional insureds** as respects: liability arising out of activities performed by ~~or on behalf of~~ the Contractor; products and completed operations of the Contractor, premises owned, leased, or used by the Contractor; and automobiles owned, leased, hired, or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the Insured Parties. Nothing contained in this section shall be construed to require the Contractor to provide liability insurance coverage to the any Insured Party for claims asserted against such Insured Party for its sole negligence **as relates to work provided under this agreement.**
 - (b) Primary Insurance Requirement. The Contractor's insurance coverage shall be primary and noncontributing insurance as respects to any other insurance or self-insurance available to the Insured Parties. Any insurance or self-insurance maintained by the Insured Parties shall be in excess of the Contractor's insurance and shall not contribute with it.
 - ~~(c) Reporting Requirement. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Insured Parties.~~
 - (d) Separate Coverage. Coverage shall state that the Contractor's insurance shall apply separately to each Insured Party against whom claim is made or suit is brought.
 - ~~(e) Defense Costs/Cross Liability. Coverage shall be provided on a “pay on behalf” basis, with defense costs payable in addition to policy limits. There shall be no cross liability exclusion.~~

E. Workers' Compensation and Employers Liability Coverage

The Contractor shall have and maintain in full force and effect for the duration of this Agreement, insurance protecting against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Work by the Contractor, ~~its agents, representatives, employees or subcontractors~~. The insurer shall agree to waive all rights of subrogation against Owner, and its officers, officials, employees and volunteers for losses arising from the work performed by the Contractor for Owner.

F. Waiver of Subrogation

The insurers shall agree under each policy of insurance required by this Contract to waive all rights of subrogation against the Insured Parties for losses arising from work performed by the Contractor for Owner.

G. All Coverages

i. Notice Requirement.

Each insurance policy required by this Contract shall be ~~endorsed to state that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits except after provide~~ thirty (30) days' prior written notice of Cancellation by certified mail, return receipt requested, ~~has been given to Owner, in care of the Cobb County~~ insert department name and address. Owner reserves the right to accept alternate notice terms and provisions provided they meet the minimum requirements under Georgia law.

(ii) Acceptability.

The insurance to be maintained by Contractor must be issued by a company licensed or approved by the Insurance Commissioner to transact business in the State of Georgia. Such insurance shall be placed with insurers with a Best's Policyholder's Rating of "A" or better and with a financial rating of Class VII or greater, or be otherwise acceptable to Cobb County. ~~All policies shall be subject to approval by Cobb County Attorney's Office as to form and content.~~

~~(iii) — Failure of Insurers.~~

~~The Contractor shall be responsible for any delay resulting from the failure of any insurer to furnish proof of coverage in the prescribed form~~

H. Verification of Coverage

Contractor shall furnish Owner with certificates of insurance and endorsements to the policies evidencing all coverages required by this Contract. ~~Additionally, the declarations page for each insurance policy listed on the certificate of insurance shall be submitted to Owner.~~ The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements shall be received and approved by Owner before any work commences. ~~Owner reserves the right to require complete, certified copies of all required insurance policies at any time.~~ The contractor shall provide proof that any expiring coverage has been renewed or replaced ~~prior to~~ within 10 days of the expiration of the coverage ~~without any lapse in coverage.~~

~~I. Subcontractors~~

~~Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to all of the requirements stated in this Agreement, including, but not limited to, naming the Insured Parties as additional insureds.~~

XXVII. Indemnification/Hold Harmless

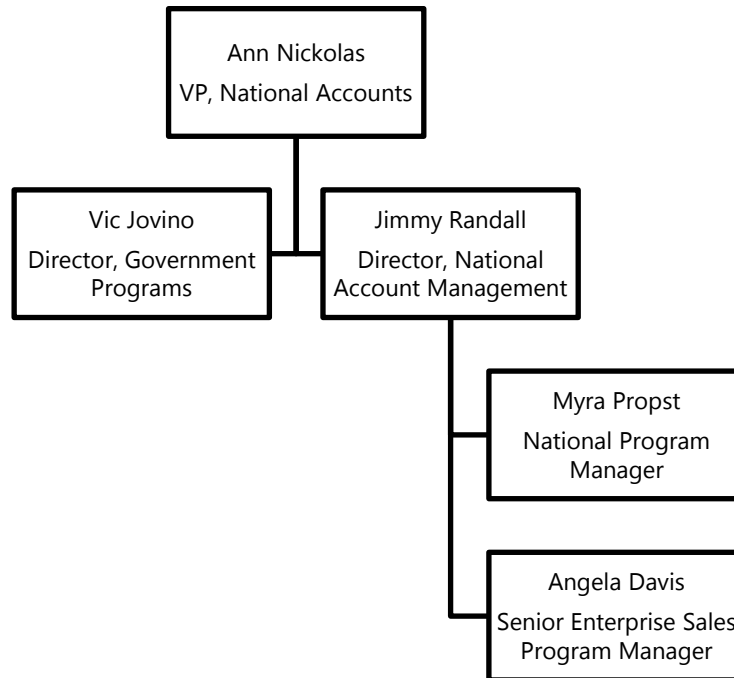
Notwithstanding anything to the contrary, (a) Shred-it shall not be liable for any special, indirect, incidental, consequential, exemplary or punitive damages, loss of profits or revenue, or loss of use even if informed of the possibility of such damages, (b) Shred-it shall not be liable for any loss or damage to or for the repair, replacement or restoration of any materials placed in any Equipment or otherwise submitted for destruction in connection with any service rendered by Shred-it to Customer, and (c) the aggregate liability, if any, of Shred-it shall be limited to Five Hundred Thousand Dollars (\$500,000.00).

Any indemnification obligations of Shred-it shall be limited to third party claims the extent resulting from the negligence, gross negligence, or willful misconduct of Shred-it.

XXXIV. Project Team

Respondents shall provide an organizational chart for the proposed project team, as well as the relevant background and experience for every proposed team member.

Below is an organizational chart for the proposed project team. At this time, relevant background and experience information cannot be provided for the entire support team by name, as the Customer Service and Billing Associate members of the team will be assigned upon contract award (not listed in the organization chart below).



National Program Manager, Myra Propst – Cobb County, GA and U.S. Communities’ Single-Point-of-Contact – responsible for the overall success of the customer program, for integrating new initiatives and organizing Quarterly Business Reviews. Myra has 17 years of experience in the document destruction industry. Myra joined Cintas Corporation in August 2000 as a Sales Representative. She was promoted to Sales Manager in 2005. She then transferred to Cintas Document Management division as a Sales Executive in 2007, with Diamond Level and President’s Club achievements for six years in the Southeast Region. Myra joined the National Account Team as a National Account Manager in April 2015 from Cintas Document Management. Shortly thereafter, she transferred to Shred-it National Accounts, as National Account Manager – US East in July 2015. Prior to joining Cintas Corporation and Shred-it, previously held positions were an On-Premise Account Manager – Healthcare and Education and as a Vending Account Manager with the Coca-Cola Bottling Company in Charlotte, NC.


Senior Enterprise Sales Program Manager, Angela Davis – will lead the implementation for Cobb County and U.S. Communities’ locations. She is responsible for, and will see the implementation through the first service date of each participant’s location. Angela has 5 years of experience in her current role, and has been with Shred-it for 8 years. Her largest initial installation to date was 8,000 locations for one customer.

Director of National Account Management, Jimmy Randall – responsible for escalation of issues as well as the overall account relationship. Jimmy Randall joined Stericycle as a strong sales leader in new business development and account management for regional and national markets. While applying a strong expertise in strategic selling, Jimmy has over 10 years' experience with B2B, key accounts and national accounts. Prior to joining Stericycle, Jimmy was Director of Sales at Aramark where he reorganized and strengthened a low performing team to be the #1 team in the country averaging 130% over plan for new business and a 93% retention rate for current customers. He was responsible for 8 direct reports which consisted of retaining business, growing the current business and also getting new business.

Director, Government Programs, Vic Jovino – with several years of experience supporting enterprise and government accounts, Vic has led the National Accounts Management team and most recently the Government Accounts support team for the past 6 years. Vic leads and supervises programs and projects in support of Stericycle and Shred-it lines of business with Federal, State, and Local governments as well as educational organizations. This includes leading a team of professionals to respond to requests for proposals and information, establishing program management teams for specific projects, ensuring contract compliance, collaborating with customers to achieve the highest value and efficiency, remaining abreast of security and regulatory requirements, and providing a point of escalation for issues.

Ann Nickolas is the Vice President of National Accounts for Stericycle – a role she has held since May of 2015. Within her group are teams that manage both new business acquisition, and on-going account management, of the Company's largest customers. The compliance-related services Stericycle delivers to these enterprise clients include secure document destruction (Shred-it), regulated medical waste removal and management, and hazardous waste programs that protect people and the environment. Ann joined Stericycle from the Shred-it acquisition, which was then a joint-venture with Cintas. During her five years at Cintas, she was the Senior Director of Sales for the Retail and Foodservice verticals within Global Accounts. Prior to Cintas, Ann held leadership roles at Baxter Healthcare, The Coca-Cola Company, and Compass Group. She is a graduate of the University of Dayton, a Registered Dietitian, and lives in Cincinnati with her husband and two children.

7) New Supplier Implementation Checklist

 New Supplier Implementation Checklist	Target Completion After Award
1. First Conference Call	One Week
Initial Kick Off Call to discuss expectations	
Set Contract Launch Date & Outline Kick Off Plan	
Establish initial contact people & roles/responsibilities	
Supplier Log-In Credentials established	
Set Agency Webinar Dates	
2. Executed Legal Documents	One Week
U.S. Communities Admin Agreement	
Lead Public Agency agreement signed	
3. Program Contact Requirements	One Week
Supplier contacts communicated to U.S. Communities Staff	
Dedicated email	
Dedicated toll free number	
4. Second Conference Call	Two Weeks
Establish Sales Training Webinar Dates	
Complete Supplier Set Up Form	
Complete User Account and User ID Form	
Identify Dates for Senior Management Meeting	
Review Contract Commitments	
5. Marketing Kick Off Call	Two Weeks
Overview of Marketing Requirements	
Establish Timeline for Marketing Deliverables	
Set Weekly Marketing Call	
Discuss Agency Webinar Slides & Set Timeframe for Deliverables	
6. Initial NAM & Staff Training Meetings	Three Weeks
Discuss expectations, roles & responsibilities	
Introduce and review web-based tools	
Review process & expectations of Lead Referral contact with NAM & identified LRC	
7. Senior Management Meeting	Four Weeks
Implementation Process Progress Report	
U.S. Communities & Vendor Organizational Overview	
Supplier Manager to review & further discuss commitments	
8. Review Top Joint Target Opportunities	Five Weeks
Top 10 Local Contracts	
Review top U.S. Communities PPA's	
9. Web Development	
Initiate E-Commerce Conversation	Two Weeks
Product Upload to U.S. Communities site	Five Weeks
10. Sales Training & Roll Out	
Program Manager briefing - Coordinate with NAM	Five Weeks

Initial remote WebEx training for all sales - Coordinate with NAM	Three Weeks
Initiate contact with Advisory Board (AB) members	Six Weeks
Determine PM & Local Metro teams strategy sessions	Six Weeks
11. Marketing – see marketing deliverables checklist as reviewed with marketing contact	Eight Weeks
12. Agency Webinars	Post Launch

Supplier Information

National Commitments

- 1) Please provide a written narrative describing your understanding and acceptance of each of the Supplier Commitments (Corporate, Pricing, Economy and Sales) shown on pages 41-45.
 - a. From executive leadership to the field sales teams, Shred-it is committed to ensuring our partnership leads to a successful program. Our executive sponsor will be involved in the growth of the program on a weekly basis and will be monitoring development via weekly reporting and metrics. When needed, the executive sponsor will also be able to attend business reviews, and secure resources such as budgets, marketing, and staff if and when special projects are required.

The pricing which has been extended is competitive and flexible. Since it is presented as ceiling pricing or not-to-exceed pricing, the structure allows the field to customize and reduce service fees for larger volume scenarios or special projects.

It is our intention for this agreement to be Shred-it's exclusive program available to public agencies and to promote this to as many of the member public agencies as possible across all 50 states. With a sales team of several hundred field and inside sales professionals, Shred-it has a significant presence in the market as well as resources to develop marketing campaigns on an ongoing basis. In addition, Shred-it will align with the timelines in the New Supplier Implementation Checklist presented in the RFP.

Company Overview

- 1) Provide the total number and location of sales persons employed by your company in the United States.

City	State	Sales Representatives
Bayamon	Puerto Rico	2
Carolina	Puerto Rico	1
San Juan	Puerto Rico	1
Bessemer	Alabama	6
Mobile	Alabama	3
North Little Rock	Arkansas	7

Arizona - Work from Home	Arizona	4
Chandler	Arizona	1
Phoenix	Arizona	8
California Work from Home	California	8
Carson	California	11
Concord	California	3
Foster City	California	9
Fremont	California	1
Fresno	California	2
Moorpark	California	2
Oceanside	California	6
Riverside	California	4
Sacramento	California	1
San Clemente	California	1
San Diego	California	2
Santa Ana	California	5
Stockton	California	7
Vernon	California	1
Colorado Work from Home	Colorado	2
Dacono	Colorado	1
Denver	Colorado	7
Cheshire	Connecticut	3
Apopka	Florida	1
Florida - Work from Home	Florida	8
Fort Myers	Florida	1
Jacksonville	Florida	6
Medley	Florida	1
Midway	Florida	1
Pompano Beach	Florida	5
Sanford	Florida	3
Tampa	Florida	4
West Palm Beach	Florida	1
Georgia Work from Home	Georgia	4
Newnan	Georgia	2
Norcross	Georgia	7
Honolulu	Hawaii	2
Davenport	Iowa	2
Des Moines	Iowa	2

Boise	Idaho	1
Idaho Work from Home	Idaho	1
Chicago	Illinois	54
Clinton	Illinois	1
Illinois - Work from Home	Illinois	7
Northbrook	Illinois	226
Schiller Park	Illinois	6
Gary	Indiana	1
Indiana Work from Home	Indiana	1
Indianapolis	Indiana	20
Kansas City	Kansas	1
Kansas Work from Home	Kansas	2
Lenexa	Kansas	4
Wichita	Kansas	1
Louisville	Kentucky	4
Bossier City	Louisiana	1
Reserve	Louisiana	1
Scott	Louisiana	3
St. Rose	Louisiana	2
Haverhill	Massachusetts	2
Sharon	Massachusetts	8
Woburn	Massachusetts	2
Columbia	Maryland	6
Rockville	Maryland	8
Maine Work from Home	Maine	1
Grand Rapids	Michigan	4
Michigan Work from Home	Michigan	1
Plymouth	Michigan	2
Troy	Michigan	3
Blaine	Minnesota	2
Minneapolis	Minnesota	9
Minnesota Work from Home	Minnesota	1
Hazelwood	Missouri	3
Missouri Work from Home	Missouri	1
Springfield	Missouri	1
St Louis	Missouri	1
Canton	Mississippi	1

Jackson	Mississippi	4
Mississippi Work from Home	Mississippi	1
Burlington	North Carolina	2
Charlotte	North Carolina	25
North Carolina Work from Home	North Carolina	3
Raleigh	North Carolina	4
Wilmington	North Carolina	1
Winston-Salem	North Carolina	1
Hudson	New Hampshire	6
Lawrenceville	New Jersey	4
New Jersey - Work from Home	New Jersey	2
Parsippany	New Jersey	13
Piscataway	New Jersey	2
Albuquerque	New Mexico	2
North Las Vegas	Nevada	4
Reno	Nevada	2
Bronx	New York	1
New York Work from Home	New York	2
Syracuse	New York	3
Tonawanda	New York	4
Westbury	New York	17
Brecksville	Ohio	7
Cincinnati	Ohio	3
Columbus	Ohio	2
Dayton	Ohio	1
Fairfield	Ohio	2
Ohio Work from Home	Ohio	14
Oklahoma City	Oklahoma	2
Oregon Work from Home	Oregon	1
Portland	Oregon	3
Drums	Pennsylvania	2
Lititz	Pennsylvania	1
North Versailles	Pennsylvania	7
Pennsylvania Work from Home	Pennsylvania	5

Southampton	Pennsylvania	1
Trainer	Pennsylvania	2
Pawtucket	Rhode Island	1
Ladson	South Carolina	4
Roebuck	South Carolina	3
South Carolina Work from Home	South Carolina	1
Chattanooga	Tennessee	1
Knoxville	Tennessee	1
Memphis	Tennessee	3
Nashville	Tennessee	5
Tennessee Work from Home	Tennessee	6
Austin	Texas	2
Carrollton	Texas	2
Coppell	Texas	25
Garland	Texas	1
Houston	Texas	9
North Richland Hills	Texas	5
Pasadena	Texas	1
San Antonio	Texas	1
Texas - Work from Home	Texas	7
Salt Lake City	Utah	2
Utah Work from Home	Utah	1
Ashland	Virginia	3
Hampton	Virginia	2
Virginia-Work from Home	Virginia	3
Waynesboro	Virginia	2
Kent	Washington	8
Washington Work from Home	Washington	5
Neenah	Wisconsin	3
New Berlin	Wisconsin	3
Grand Total		818

- 2) Please provide a narrative of how these sales people would be used to market the contract to eligible agencies across the country. Please describe what you have in place today and your future plans, if you were awarded the contract.
- a. Shred-it has developed and launched many programs such as this in the past not only for cooperative purchasing programs, but also group purchasing organizations and public agency targeted programs. We envision working closely with the U.S. Communities Program Managers to develop a marketing plan which illustrates the benefits to these agencies of choosing and utilizing Shred-it’s services in order to ensure they meet current and future security and compliance requirements. There will also be opportunities for cost savings for these agencies if they already have a program in place with another vendor. This will involve the development of value statements in order to differentiate Shred-it’s solutions and services from those of other vendors.

Identifying prospective public agencies will be key in determining those eligible to be included to recruit. Since Shred-it utilizes Salesforce.com, we have the ability to load the prospective agencies in Salesforce as campaigns. Once loaded, the agencies are automatically geo-coded to the sales teams for their pursuit. Salesforce will track activity of the sales teams and we will use metrics to determine the success of the program.

Below are sample statistics from a recently launched campaign in Salesforce:

Campaign Statistics

Responses in Campaign	0	Opportunities in Campaign	1,228
Leads in Campaign	27,025	Won Opportunities in Campaign	246
Converted Leads in Campaign	1,336	Value Opportunities in Campaign	USD 99,568.32
Contacts in Campaign	1,334	Value Won Opportunities in Campaign	USD 45,538.42

- 3) Explain how your company will educate its sales force about the Master Agreement.
- a. As a normal routine, our sales teams across the country receive weekly training on a variety of topics, from new campaigns to professional development seminars. Shred-it will develop a roll-out package (agreement terms, pricing, ROE), in conjunction with Program Managers, which will be presented at weekly training sessions to educate the sales team on the merits of the program and review target opportunities. We

also anticipate that the Program Managers will assist in this process.

- 4) Provide the company annual sales for 2014, 2015 and 2016 in the United States; Sales reporting should be segmented into the following categories.
Please note: As a publicly traded organization, Stericycle does not separately report the sales to public entity segments.
- 5) For the proposed products and services included in the scope of your response, provide annual sales for 2014, 2015 and 2016 in the United States. Sales reporting should be segmented into the following categories.
Please note: As a publicly traded organization, Stericycle does not separately report the sales of its individual products or services.
- 6) Provide a list of your company’s ten largest public agency customers, including contact information.

Agency	Note
Securities and Exchange Commission	As a security company, we do not disclose information about our customers. Shred-it would like to request providing references, if short-listed and an NDA is signed. Shred-it will solicit approval from agencies and provide references at that time.
DCMA	
Social Security Administration Region IV	
State of Tennessee	
State of Illinois	
State of Colorado	
University of California – San Diego	
Multnomah County, OR	
University of Florida	
Larimer County Government	
County of Monterey	

- 7) What percentage of your business is dedicated to supplying secure information destruction services?
 - a. 100% of Shred-it’s business is dedicated to supplying secure information destruction services.
- 8) Are all of your facilities required to maintain NAID certification?
 - a. The National Association for Information Destruction (NAID) has various levels of participation, from membership to certification. All Shred-it locations in the United States and Canada have received the highest level, NAID AAA Certification. The NAID AAA Certification for mobile destruction, plant based paper destruction and hard drive destruction adheres to the stringent security practices and procedures established by

the National Association for Information Destruction.

- 9) Please list any existing regional and/or national cooperative purchasing programs. Provide the entity’s name(s), contract scope, contract term (including contract options) and annual volume by year for each of the last three years.
- a. At the present time, the National Joint Powers Alliance (NJPA) and General Services Administration (GSA) programs are the only programs of this type in effect at Shred-it. We have provided the requested details below:

Entity Name	Contract scope	Contract term	Annual volume 2017	Annual volume 2016	Annual volume 2015
National Joint Powers Alliance (NJPA)	Recycling solutions with related equipment accessories, supplies and services	February 2013 – March 2018	\$1,335,441	\$788,425	\$528,197
General Services Administration	On- and off-site secure destruction services for paper and media	October 2016 – September 2021	\$4,984,266	\$3,674,516	\$3,941,406

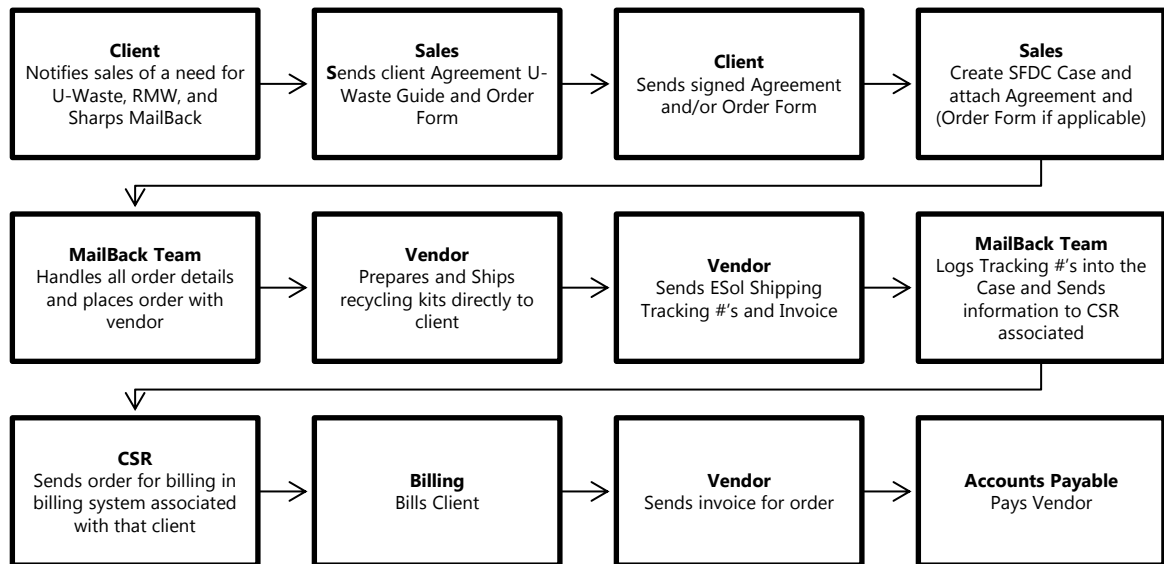
Shred-it also has contracts in place with the following Group Purchasing Organizations:

Entity Name	Contract scope	Contract term	Annual volume 2017	Annual volume 2016	Annual volume 2015
Premier	Hard copy document destruction services	2010 – 2018	\$12,477,023	\$11,022,106	\$10,368,659
MHA	On-site document destruction and secure media destruction services	July 2015 – June 2018	\$524,909	\$373,107	\$390,297
Vizient	On- and off-site secure information destruction services for paper and media	2013 – 2018	\$9,828,913	\$8,336,849	\$7,307,981

Order Processing and Distribution

- 1) Describe your company's normal order processing procedure from point of customer contact through delivery and billing.
 - a. Whether a customer is requesting an initial implementation, a special project, or an additional service, a customer's order is processed electronically so they receive faster processing times and service delivery. Agencies will utilize a short End User Agreement developed to reflect the terms of the contract. A sample is provided for review.
The Shred-it National Accounts Customer Care Team tracks customer interactions from start to finish. Steps of the process include the following:
1) Customer contacts either a local Shred-it sales team member or the National Accounts Customer Care (NACC) team with a service request; 2) NACC submits the request to the appropriate branch and a schedule date is discussed; 3) NACC contacts the customer to advise of scheduled date, checking that the service date is appropriate; 4) NACC reviews service reports to confirm completion of request; 5) Once service is performed, the customer is emailed a Certificate of Destruction (in the case of paper or media destruction).
Billing structure: our customers are based on a monthly consolidation bill. We provide one invoice monthly that entails all services that occurred during that billing cycle. This can be broken down by Corporation, by location, or region.
- 2) In what formats do you accept orders (telephone, ecommerce, etc.)?
 - a. We accept orders by telephone, email, and electronically.
- 3) Please state if you use a single system or platform for all phases of ordering, processing, delivery and billing.
 - a. Yes, Shred-it made a major investment in information technology with the implementation of a company-wide SAP ERP (Enterprise Resource Planning) system. The SAP ERP system enhances communication across the company, streamlines administration, creates efficient routing for our operations, and allows us to gather appropriate service information from the field. This major investment enables us to better serve our clients and manage our business.
- 4) State which forms of ordering allow the use of a procurement card and the accepted banking (credit card) affiliation.
 - a. We accept credit card/P-card for all Accounts Receivable. Notifications should be sent to accounts.receivable@stericycle.com.

- 5) Describe how your company proposes to provide these services nationwide.
- Prospective agencies will be requested to complete an End User Agreement to place an order for service. A sample of a standard version is included for review.
 - Shred-it has 130+ local servicing branches across the nation that will provide on-site and off-site secure information destruction services to Cobb County and U.S. Communities.
 - An overview of how Stericycle provides MailBack services is described below:



i.

- 6) Identify all other companies that will be involved in providing these services to the end user. Indicate the percentage of your services that are self-performed. What services, if any, are subcontracted?

- At this time, we do not anticipate the use of subcontractors to service U.S. Communities participants. However, we recognize there may be agencies in areas where Shred-it does not yet have a servicing branch upon contract award. In areas where a Shred-it servicing facility is not available, Shred-it has a subcontractor management team manage the use of subcontractors. Less than 1% of our customers receive services through this method. Subcontractors are held to the same strict NAID standards. If a subcontractor loses their NAID certification or is not NAID certified, Shred-it is notified and will perform audits on the vendor to ensure the proper security protocol is followed. The Shred-it subcontractor management team sources subcontractors, manages the services

provided, and consolidates the billing for invoicing to the customer. Shred-it still owns the relationship with every one of its customers even though a small percentage of service may be performed by a subcontractor.

- 7) Provide the number, size and location of your company's shredding facilities, support centers and sales offices.
 - a. Shred-it has 130+ local servicing branches across the nation. Oftentimes, servicing branches are accompanied by a sales office. We have two Customer Care Centers; our Customer Care Centers are available weekdays from 8:00 am to 8:00 pm EST.

- 8) If applicable, describe your company's ecommerce capabilities:
 - a. Include details about your company's ability to create punch out sites and accept orders electronically.
 - i. Stericycle HCS currently has MyStericycle.com that allows our customers the ability to schedule requests and purchase products online. We are looking to create a similar platform for our Shred-it customers and anticipate implementation in the near future.

 - b. Provide detail on your company's ability to integrate with a public agency's ERP/purchasing system (Oracle, SAP, Jaggaer, etc.). Please include some details about the resources you have in place to support these integrations.
 - i. Shred-it is supportive of 3rd party platforms to partner with our customers to facilitate work order management and billing/invoicing solutions. We have a centralized Billing Team with a dedicated team that specializes in this process implementation and maintenance.

- 9) If applicable, describe your company's ability to do business with manufacturer/dealer/distribution organizations that are either small or MWBE businesses as defined by the Small Business Administration.
 - a. If applicable, describe other ways your company can be sensitive to a Participating Public Agency's desire to utilize local and/or MWBE companies, such as number of local employees and offices in a particular geographic area, companies your firm is using that may be local (i.e. local delivery truck company), etc.

 - b. If applicable, provide details on any products or services being offered by your company where the manufacturer or service provider is either a small or MWBE business as defined by the Small Business Administration. Provide product/service name, company name and small/MWBE designation.

- i. Over the past ten years, Stericycle has centralized sourcing activities with an emphasis on creating national agreements to consolidate our purchases. As a part of our Strategic Sourcing Process, we work to identify all suppliers that can meet our specifications, volume requirements and cost targets. Within our supplier screening process, we emphasize Minority and Women Owned Business status as an important selection criterion, as well as Disabled, Disabled Veteran and Small Business Status. In all situations MBE, WBE, DBE, DVBE and SBE status is a decisive criterion, assuming equality in all other criteria. For 2016, Stericycle's diversity spend increased 12.5% from the previous year. Diversity spend was equal to approximately 1% of total spend. Some Tier I and Tier II Suppliers Partners include: Careers USA (WBE – Temp Labor), Harvard Services (WBE – Cleaning Services), Access Technology Solutions (MBE – IT Services), New Age Transportation (WBE - Transportation), Cintas (MBE and WBE – Uniforms), Grainger (MBE and WBE – Safety Supplies), and Gateway (WBE – Envelopes & Forms). Stericycle will continue to search out partners who meet Small Business, Disabled, Disabled Veteran, MBE and WBE status. It is our goal to promote diversity within our company and within our supplier base. In every RFP that Stericycle conducts, we search for partners in these under-utilized segments. Additionally, in each RFP we conduct, we ask all bidders whether they are a Small Business, Disabled, Disabled Veteran, MBE or WBE.

Marketing and Sales

- 1) Provide a detailed outline of your company's sales and marketing plan for marketing your offering to eligible agencies nationwide.
 - a. Our sales and marketing plan will include the following elements in order to educate and promote the program to the sales teams and eligible agencies:
 - 1: Executive Summary – summarize each of the elements of the marketing plan
 - 2: Target Customers – who are the eligible agencies who will benefit from our security and compliance solutions
 - 3: Shred-it's Unique Value Proposition – this will help focus prospective agencies on what distinguishes Shred-it from other similar vendors

4: Pricing & Positioning Strategy – this supports our price points and helps the agencies understand Shred-it’s value

5: Distribution Plan – options for customers to place orders for service

6: Your Offers – promotions to gain interest and jump-start the program, gain initial acceptance and referenceability

7: Marketing Materials – collateral needed to promote business and educate eligible agencies on security and compliance requirements

8: Promotions Strategy – how will we reach eligible agencies

9: Online Marketing Strategy – the use of social media and landing pages, which ones should be implemented given our target market

10: Conversion Strategy - a review of what methods are working well and tune the sales approach to suit. For example, is Shred-it offering sufficient value to the agencies compared to other choices agencies may have

11: Partnerships – can we form relationships with others to assist in promoting Shred-it solutions. What trade shows (such as NIGP) could be used to solicit to eligible agencies.

12: Retention Strategy – Use monthly newsletters, for example, to inform customers of changes to security and compliance requirements in their environments

13: Financial Goals and Projections – Determine what the successful program will look like as well as resources needed to promote Shred-it’s solutions based on the elements described earlier.

2) Explain how your company will market and transition the Master Agreement into the primary offering to Participating Public Agencies. How will your organization differentiate the new agreement from existing contracts you may have today?

- a. Shred-it will conduct a launch campaign to introduce the Master Agreement and the elements described above to its sales teams. This will position the Master Agreement as the only instrument available to offer to Participating Public Agencies. Any previous agreements we may have offered will cease to be utilized. Our differentiation of this Master Agreement will be based on its breadth (meaning products and services),

unique value proposition, and its flexibility (with regard to pricing).

- 3) Please describe your sales goals if awarded the Master Agreement, including targeted dollar volume by year:

\$150,000.00 in year one

\$300,000.00 in year two

\$750,000.00 in year three

The above assumes all eligible agencies are available as targets, and assumes some migration of current customers over to the program.

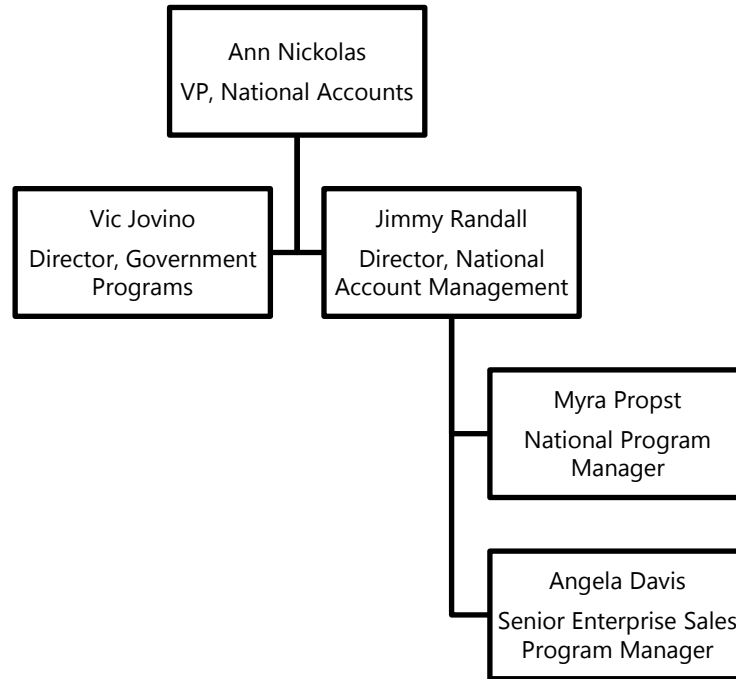
National Staffing Plan

- 1) Please identify the key personnel who will lead and support the implementation period of the contract outlined on page 48, [New Supplier Implementation Checklist](#), along with the amount of time to be devoted to implementation.

- a. Shred-it assigns a dedicated National Account Support Team for the management and service of each customer account. This team includes a National Program Manager who will conduct and report on client-specific trends, as well as industry news and updates; they are also responsible for the overall success of the customer's program, for integrating new initiatives, and organizing quarterly business reviews. The assigned National Account Support Team also includes a Customer Service Representative, and two backups, who are intimately familiar with your program, and a Billing Associate if special billing is required. Customer Service Representatives are responsible for handling daily service requests that get dispatched to the branch operations through Shred-it's internal Client Interaction Center software. Upon acceptance of Shred-it's proposal, Shred-it will issue a communication plan that details the account management and servicing approach, and will provide Cobb County and U.S. Communities with the names of those Team Members responsible for keeping them and their information secure. Every Shred-it Team Member, including contract workers, is background checked prior to employment.

Shred-it has a dedicated Implementation and Rollout Team comprised of specialists who can quickly evaluate your requirements and assign the appropriate resources and execute the rollout in accordance with the agreed schedule. This team will be led by the National Program Manager, and is comprised of the Director of Government Programs, a Senior Enterprise Sales Program Manager, Angela Davis, additional Project Managers, Implementation Specialists, and dedicated Government Customer Service Specialists, who will interface with a broad range of over 130 local service branches who will deliver equipment and service

participating members of U.S. Communities' facilities.



2) Identify the key personnel who are to be engaged in this contract throughout the term of the contract, including each of the roles described below:

<u>Role</u>	<u>Description of Role</u>	<u>Person Responsible and Title</u>	<u>Time Commitment (%)</u>
Executive Sponsor	Responsible for the corporate commitment. Works with Supplier Manager.	Ann Nickolas Vice President, National Accounts	As required
Executive Sponsor / Director of Government Programs	Responsible for the corporate commitment. Works with Supplier Manager.	Vic Jovino Director, Government Programs	As required; 25% on ramp-up
National Account Manager	Responsible for sales efforts and training of sales	Myra Propst National Program Manager	Up to 50% during ramp-up

	people across the country. Works daily with Program Managers and Supplier Manager.		
Lead Referral Manager	Responsible for distributing leads generated through the USC website.	Myra Propst, National Program Manager in coordination with Marketing Support	Up to 50% during ramp-up
Marketing Lead	Responsible for all marketing efforts. Works with USC marketing regularly.	National Accounts Marketing Team	15%
IT Lead	Responsible for building USC landing page for supplier.	Colin Vlasak	As required
Reporting Lead	Responsible for providing monthly reports to USC.	Fawad Haji Senior Analyst – Sales Operations	Monthly

- 3) Provide an organizational chart of your company.
 - a. Please see the attachment for an organizational chart of our company.

- 4) Submit a bio for each of the below personnel:
 - a. The person your company proposes to serve as the National Accounts Manager;
 - i. **National Program Manager, Myra Propst** – Cobb County, GA and U.S. Communities’ Single-Point-of-Contact – responsible for the overall success of the customer program, for integrating new initiatives and organizing Quarterly Business Reviews. Myra has 17 years of experience in the document destruction industry. Myra joined Cintas Corporation in August 2000 as a Sales Representative. She was promoted to Sales Manager in 2005. She then transferred to Cintas Document Management division as a Sales Executive in 2007, with Diamond Level and President’s Club

achievements for six years in the Southeast Region. Myra joined the National Account Team as a National Account Manager in April 2015 from Cintas Document Management. Shortly thereafter, she transferred to Shred-it National Accounts, as National Account Manager – US East in July 2015. Prior to joining Cintas Corporation and Shred-it, previously held positions were an On-Premise Account Manager – Healthcare and Education and as a Vending Account Manager with the Coca-Cola Bottling Company in Charlotte, NC.

- b. Each person that will have primary responsibility for U.S. Communities account management; and
 - i. **Director, Government Programs, Vic Jovino** – with several years of experience supporting enterprise and government accounts, Vic has led the National Accounts Management team and most recently the Government Accounts support team for the past 6 years. Vic leads and supervises programs and projects in support of Stericycle and Shred-it lines of business with Federal, State, and Local governments as well as educational organizations. This includes leading a team of professionals to respond to requests for proposals and information, establishing program management teams for specific projects, ensuring contract compliance, collaborating with customers to achieve the highest value and efficiency, remaining abreast of security and regulatory requirements, and providing a point of escalation for issues.
- c. Key executive personnel that will be supporting the program.
 - i. **Ann Nickolas is the Vice President of National Accounts for Stericycle** – a role she has held since May of 2015. Within her group are teams that manage both new business acquisition, and on-going account management, of the Company’s largest customers. The compliance-related services Stericycle delivers to these enterprise clients include secure document destruction (Shred-it), regulated medical waste removal and management, and hazardous waste programs that protect people and the environment. Ann joined Stericycle from the Shred-it acquisition, which was then a joint-venture with Cintas. During her five years at Cintas, she was the Senior Director of Sales for the Retail and Foodservice verticals within Global Accounts. Prior to Cintas, Ann held leadership roles at Baxter Healthcare, The Coca-Cola Company, and Compass Group. She is a graduate of the

University of Dayton, a Registered Dietitian, and lives in Cincinnati with her husband and two children.

Products, Services and Solutions

- 1) Provide a description of how your offering meets the requirements set forth in Section 3, General Definition of Products and/or Services, of the RFP. The primary objective is for each Supplier to provide its complete offering so that Participating Public Agencies may purchase a range of services as appropriate for their needs.
 - a. **Scheduled and Purge (On-Demand) Secure Destruction Services include:** Regularly-scheduled paper shredding services, purge (on-demand) shredding services, hard drive destruction services, media destruction services, and specialty shredding services. Detailed information can be found on www.shredit.com under the “Services” page.
 - b. **Biohazardous Waste Disposal:** This mailback program includes everything a customer requires to properly and safely package and dispose of red bag waste (including gloves, bandages, gauze, spill kills), as well as sharps waste (needles, injector pens, syringes). Detailed information can be found at: <https://www.stericycle.com/services/waste-services/biohazardous-waste>.
 - c. **Universal Waste Management:** This mailback program includes everything a customer requires to properly and safely package and dispose of fluorescent lamps, mercury containing devices, dry and wet cell batteries, ballasts, smoke detectors. Detailed information about all our Universal Waste Services can be found at: <https://www.stericycle.com/services/waste-services>.
 - d. **Related Products and Services:** In addition to the Secure Information Destruction and Medical Waste Services listed above, Stericycle also offers the following for its customers: Compliance Training, Environmental Solutions, Sustainability Services, Communication Solutions, Retrieval/Quality Audits, and Recalls. Detailed information about each of these services can be found at: <https://www.stericycle.com/>.
 - e. **Scheduled and Purge (On-Demand) Secure Destruction Services:**
 1. As per your schedule, our Customer Security Representative (CSR) will arrive at your locations. CSRs are easily identifiable, as they wear a Shred-it uniform and always have a photo ID badge visible. Our CSRs are background-checked and drug-screened prior to employment, as well as annually.

2. Each console or tote is opened and the barcode is scanned. Our handhelds provide audit capabilities, allow for time-in and time-out tracking and console location tracking which validates that all of our containers at a customer's location were serviced. The contents of the customer's containers are emptied into a secure tote and transported to the secure, locked and GPS-monitored truck for transport to the Shred-it facility. This is when Shred-it takes custody of the clients' confidential materials. Inclement weather such as windy or rainy days do not affect services, as client confidential materials are kept in a secured tote until destruction is completed on-site in a truck, or off-site at one of our secure facilities.
3. For on-site service: documents are loaded directly into the hopper on the truck and shred; hard drives and eMedia are sheared or punched to ensure destruction. All destruction services are completed before the truck leaves a customer's facility, where a representative can witness the process. For off-site service: paper and eMedia are securely transported to the nearest Shred-it plant. NAID certification requires confidential documents to be destroyed within 72 hours. Trucks are locked with BABACO locks that are not able to be cut with bolt-cutters and activate an alarm if compromised. If all locks on the truck are not secured, the truck will not start and the Customer Security Representative is unable to drive away. This ensures customer confidential materials are secured during transport, even after destruction. Trucks are also GPS-monitored at all times. Shred-it facilities are keycard/keypad access controlled, closed circuit television (CCTV) security cameras are in place, and all materials are held in secured areas until the destruction process is complete.
4. Once customer confidential materials are destroyed, the customer is issued a Certificate of Destruction (COD). The COD also provides information regarding the next service date.
5. Shredded/destroyed documents are securely baled for recycling at one of Shred-it's secure facilities. Destroyed hard drives and eMedia are sent to an approved, domestic e-waste recycler, and not shipped overseas.

6. Bales containing shredded documents are recycled into a variety of paper products.
 - f. **Biohazardous Waste Disposal:** Regulated Medical Waste Services are structured as needed, and include Soft waste (gloves, gowns, tissue, blood and blood products) and Sharps waste and containers (needles / syringes, pipettes, broken glass, culture slides and dishes).
 - g. **Universal Waste Management:** Universal Waste Services are structured as needed, and include batteries, pesticides, mercury-containing equipment, and lamps. Certain states also classify the following materials as Universal Waste: aerosol cans, antifreeze, ballasts, barometers, cathode ray tubes (CRTs), electronics, oil-based finishes, paint and paint-related wastes, and hazardous waste pharmaceuticals.
- 2) Provide a description of the containers available to collect materials for destruction. What is the cost for each size container?
- a. Shred-it provides customers with a range of secure containers to collect documents for destruction, included as part of our service. Container options are as follows. Standard Console (32 gallon; 36"H x 20 1/2"W x 16"D); Desk Console (18 gallon; 26"H x 12" W x 19 5/8"); Mini Console (31 gallon; 26"H x 20 1/4"W x 19 5/8"D); 65 gallon tote (46"H x 24 1/2"W x 27 1/2"D); 95 gallon tote (48"H x 25"W x 34 1/4"D); Multimedia console (35.5"H x 10"W x 19.5" D). An attachment, Shred-it Container Options, has images of these containers. Containers are included in the cost of the program; please refer to the pricing document for service costs for each container.
- 3) Do all of these containers have locks?
- a. Yes, all containers are equipped with an integrated locking system to ensure deposited documents are only accessible to authorized individuals with a key.
- 4) Do you allow boxes of paper to be picked up for destruction? If so, what is the cost per box? Do the boxes need to be palletized for pickup?
- a. Yes, we allow boxes of paper to be picked up for destruction. No, boxes do not need to be palletized for pickup. Please refer to the pricing document for service costs for box pricing.

- 5) Are there any charges for program design and site assessments separate from the cost of managing a program? If so, please provide pricing details.
 - a. No, there are no additional charges for program design and site assessments separate from the cost of managing the program.
Shred-it strives to continuously improve service to our customers in many ways. Throughout the contract period, Shred-it performs complimentary Security Risk Assessments (SRA) to ensure our customers remain in compliance with the various security and legislative requirements. Security Risk Assessments help to identify opportunities where “high risk” areas may present a threat of breach. During the assessment our personnel evaluate key placement of containers, and when “under-utilized” containers are identified, cost-saving measures such as reclamation or re-deployment can provide substantial cost benefit to the customer.

- 6) Is there a minimum service charge per month for services?
 - a. No, there is not a minimum service charge per month for services.

- 7) How many vehicles do you have available for onsite destruction services?
 - a. Shred-it has approximately 960 on-site shredding trucks in the United States.

- 8) Describe your ability to provide a full report on the material destroyed for each Participating Public Agency. Do you provide a Certificate of Destruction with the weight of material destroyed?
 - a. Once shredding is complete, on-site or off-site, customers are provided a Certificate of Destruction assuring them that their materials have been completely destroyed.

- 9) Please provide a sample “Certificate of Destruction” and/or full report on material destroyed (as mentioned above).
 - a. We have provided a sample Certificate of Destruction as an attachment.

- 10) Do you provide scanning services for the IT equipment (such as hard drives) prior to destruction for tracking?
 - a. Yes, we can scan hard drive barcodes prior to destruction for tracking purposes.

- 11) Do you provide an area for physical witnessing of documents to be destroyed?
 - a. Yes, Shred-it offers its customers the ability to witness the destruction process either on-site using the mobile shredding truck or off-site at a Shred-it secure facility.

12) For offsite destruction services, how do you ensure that material remains secured from the moment of retrieval until destruction is completed?

- a. For off-site services, paper and eMedia are securely transported to the nearest Shred-it plant. Trucks are locked with BABACO locks that are not able to be cut with bolt-cutters and activate an alarm if compromised. If all locks on the truck are not secured, the truck will not start and the Customer Security Representative is unable to drive away. This ensures customer confidential materials are secured during transport, even after destruction. Trucks are also GPS-monitored at all times. Shred-it facilities are keycard/keypad access controlled, closed circuit television (CCTV) security cameras are in place, and all materials are held in secured areas until the destruction process is complete. NAID certification requires confidential documents to be destroyed within 72 hours.

13) Please describe the security measures in place at your shredding facilities.

- a. Shred-it facilities are keycard/keypad access controlled, closed circuit television (CCTV) security cameras are in place, and all materials are held in secured areas until the destruction process is complete. All paper and fiber materials are recycled following the destruction process. Finally, only "Access" employees are allowed to work with customer confidential material. This requires pre-hire and an annual update for background screening, confidentiality agreements, and security training.

14) Is there a specific timeframe within which material will be destroyed?

- a. Yes, Shred-it guarantees confidential materials are destroyed within 72 hours of pick-up and/or 24 hours of arrival at the secure local facility, according to AAA NAID Certification guidelines.

15) For shredding of paper, what sized pieces are produced and how are they processed after the shredding is completed?

- a. Shred-it's proprietary cross-cut shredding process reduces paper to confetti-sized pieces providing far greater security than conventional strip-cut processes that can be pieced back together. Our standard shred cross-cut technology shreds confidential materials into pieces smaller than 0.629 inches (1 1/2" x 5/8"). Reconstruction is made further impossible since thousands of pounds of shredded paper are mixed together in Shred-it's trucks before being baled for recycling. Bales are sent to an approved recycler, where paper is pulped, and converted into common paper products such as paper towels, tissues, and packaging materials.

Environmental

- 1) Provide a brief description of your company's environmental initiatives, including your company's environmental policies and/or strategies, your investments in being an environmentally preferable product leader, and any resources dedicated to your environmental strategy, including staff.
 - a. Since 1988, Shred-it has focused on environmental sustainability. The Company is committed to protecting its customers' information security while helping to protect and preserve the environment. Shred-it can help its customers realize their recycling goals.

Documents stay secure from the time they leave the customer's hands to the moment they are destroyed and baled in confetti form. 100% of the shredded paper is then recycled to create the consumer paper products used every day, such as paper towels or plates.

These environmental initiatives deliver profound results. According to industry estimates, every ton of recycled paper uses 64% less energy, 50% less water and causes 74% less air pollution than the same quantity of paper from virgin wood pulp over and above the conservation of trees.

These environmental initiatives deliver profound results. According to industry estimates, every ton of recycled paper uses 64% less energy, 50% less water and causes 74% less air pollution than the same quantity of paper from virgin wood pulp over and above the conservation of trees.

Beyond more efficient and secure paper recycling, these are a few of the many Shred-it environmental initiatives:

- Shred-it trucks meet or exceed regulatory standards for emission control.
- Shred-it trucks meet or exceed regulatory standards for emission control.
- The Shred-it fleet includes smaller, more fuel-efficient trucks with auto shut down technology that generates 55% less CO₂ than the full-sized trucks used seven years ago.
- Shred-it trucks use environmentally-friendly hydraulic fluids, which are biodegradable, recyclable, non-toxic, non-carcinogenic, low odor and contain no heavy metals that could contaminate ground and waste waters.
- Shred-it uses reusable nylon tear proof bags and corrugated inserts in its consoles.

- Shred-it security consoles are built with 100% recycled wood and particle board.

Shred-it meets the information protection and secure destruction needs of customers today, while helping reduce its environmental footprint for future generations.

2) Describe your company's recycling services. Are there any recycling programs offered for destroyed documents or other media?

- a. Shred-it recycles 100% of its shredded paper. The shredded paper is baled and shipped to paper mills where it is pulped and converted into common paper products such as paper towels, tissues, and packaging materials. After hard drives are punched or sheared to ensure destruction, the units are sent to an approved, domestic e-waste recycler.

Financial Statements

1) Submit your latest Dun & Bradstreet report.

- a. We have provided our latest Dun & Bradstreet report as an attachment.

Additional Information

Please use this opportunity to describe any other offerings your organization can provide that you feel will give additional value and benefit to Participating Public Agencies.

Mailback programs – Shred-it will provide the necessary equipment to enable agencies to remove various types of waste products from their environment in order for the material to be transported to a Stericycle facility for processing and recycling, where possible. These products include:

- Biohazardous material – containers for storage and USPS approved mailing of regulated medical waste or medical waste
- Sharps management – containers for storage and USPS approved mailing of sharps for processing and recycling
- Universal waste – containers for collecting materials such as fluorescent light bulbs, batteries, lamps and mercury-containing equipment for their transportation

Additional detailed information can be provided upon request, or can be found on our website at www.stericycle.com.

Thank you

Shred-it would like to thank Cobb County, GA and U.S. Communities for the opportunity to respond to this RFP for Document and Media Destruction Services, Bid #18-6320. We hope that you will agree that Shred-it is the best partner with whom to standardize your information destruction services.

Should you require any additional information or if we might be able to meet with you to present our Comprehensive Secure and Compliant Information Destruction Services Program please contact:

Vic Jovino – Director, Government Programs

C: +1 201-892-7391

E: Vic.Jovino@Stericycle.com

U.S. COMMUNITIES INFORMATION

ADMINISTRATION AGREEMENT

This ADMINISTRATION AGREEMENT ("Agreement") is made as of _____, by and between U.S. COMMUNITIES GOVERNMENT PURCHASING ALLIANCE ("U.S. Communities") and Shred-it USA LLC ("Supplier").

RECITALS

WHEREAS, _____ ("Lead Public Agency") has entered into a certain Master Agreement dated as of even date herewith, referenced as Agreement No. _____, by and between Lead Public Agency and Supplier (as amended from time to time in accordance with the terms thereof, the "Master Agreement") for the purchase of _____ (the "Products and Services"); ~~document and media destruction services, biohazardous waste disposal and universal waste management services.~~

WHEREAS, the Master Agreement provides that any state, county, city, special district, local government, school district, private K-12 school, technical or vocational school, higher education institution (including community colleges, colleges and universities, both public and private), other government agency or nonprofit organization (each a "Public Agency" and collectively, "Public Agencies") may purchase Products and Services at the prices indicated in the Master Agreement upon prior registration with U.S. Communities, in which case the Public Agency becomes a "Participating Public Agency";

WHEREAS, U.S. Communities has the administrative and legal capacity to administer purchases under the Master Agreement to Participating Public Agencies;

WHEREAS, U.S. Communities serves in an administrative capacity for Lead Public Agency and other lead public agencies in connection with other master agreements offered by U.S. Communities;

WHEREAS, Lead Public Agency desires U.S. Communities to proceed with administration of the Master Agreement on the same basis as other master agreements;

WHEREAS, "U.S. Communities Government Purchasing Alliance" is a trade name licensed by U.S. Communities Purchasing & Finance Agency; and

WHEREAS, U.S. Communities and Supplier desire to enter into this Agreement to make available the Master Agreement to Participating Public Agencies.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, U.S. Communities and Supplier hereby agree as follows:

ARTICLE I

GENERAL TERMS AND CONDITIONS

1.1 The Master Agreement, attached hereto as Exhibit A and incorporated herein by reference as though fully set forth herein, and the terms and conditions contained therein shall apply to this Agreement except as expressly changed or modified by this Agreement.

1.2 U.S. Communities shall be afforded all of the rights, privileges and indemnifications afforded to Lead Public Agency under the Master Agreement, and such rights, privileges and indemnifications shall accrue and apply with equal effect to U.S. Communities under this Agreement including, without limitation, Supplier's obligation to provide insurance and indemnifications to Lead Public Agency.

U.S. COMMUNITIES INFORMATION

scheduling assistance from Supplier, conduct training sessions and conduct calls jointly with Supplier to Public Agencies. U.S. Communities shall also provide Supplier with access to U.S. Communities' private intranet website which provides presentations, documents and information to assist Supplier's sales force in effectively promoting the Master Agreement.

3.3 Supplier's Representations and Covenants. Supplier hereby represents and covenants as follows in order to ensure that Supplier is providing the highest level of public benefit to Participating Public Agencies (such representations and covenants are sometimes referred to as "Supplier's Commitments" and are comprised of the Corporate Commitment, Pricing Commitment, Economy Commitment and Sales Commitment):

(a) Corporate Commitment.

(i) The pricing, terms and conditions of the Master Agreement shall, at all times, be Supplier's primary contractual offering of Products and Services to Public Agencies. All of Supplier's direct and indirect marketing and sales efforts to Public Agencies shall demonstrate that the Master Agreement is Supplier's primary offering and not just one of Supplier's contract options.

(ii) Supplier's sales force (including inside, direct and/or authorized dealers, distributors and representatives) shall always present the Master Agreement when marketing Products or Services to Public Agencies.

(iii) Supplier shall advise all Public Agencies that are existing customers of Supplier as to the pricing and other value offered through the Master Agreement.

(iv) Upon authorization by a Public Agency, Supplier shall transition such Public Agency to the pricing, terms and conditions of the Master Agreement.

(v) Supplier shall ensure that the U.S. Communities program and the Master Agreement are actively supported by Supplier's senior executive management.

(vi) Supplier shall provide a national/senior management level representative with the authority and responsibility to ensure that the Supplier's Commitments are maintained at all times. Supplier shall also designate a lead referral contact person who shall be responsible for receiving communications from U.S. Communities concerning new Participating Public Agency registrations and for ensuring timely follow-up by Supplier's staff to requests for contact from Participating Public Agencies. Supplier shall also provide the personnel necessary to implement and support a supplier-based internet web page dedicated to Supplier's U.S. Communities program and linked to U.S. Communities' website and shall implement and support such web page.

(vii) Supplier shall demonstrate in its procurement solicitation response and throughout the term of the Master Agreement that national/senior management fully supports the U.S. Communities program and its commitments and requirements. National/Senior management is defined as the executive(s) with companywide authority.

(viii) Where Supplier has an existing contract for Products and Services with a state, Supplier shall notify the state of the Master Agreement and transition the state to the pricing, terms and conditions of the Master Agreement upon the state's request. Regardless of whether the state decides to transition to the Master Agreement, Supplier shall primarily offer the Master Agreement to all Public Agencies located within the state.

U.S. COMMUNITIES INFORMATION

(C) If competitive conditions require pricing lower than the standard Master Agreement pricing, Supplier may submit lower pricing through the Master Agreement. If Supplier is awarded the contract, the sales would be reported as sales under the Master Agreement. Supplier would not be required to extend the lower price to other Public Agencies.

(D) Supplier may respond to the procurement solicitation with pricing that is higher (net to buyer) than the pricing offered under the Master Agreement. If awarded a contract, Supplier shall still be bound by all obligations set forth in this Section 3.3, including, without limitation, the requirement to continue to advise the awarding Public Agency of the pricing, terms and conditions of the Master Agreement.

(E) Supplier may respond to the procurement solicitation with pricing that is higher (net to buyer) than the pricing offered under the Master Agreement and if an alternative response is permitted, Supplier may offer the pricing under the Master Agreement as an alternative for consideration.

(c) **Economy Commitment.** Supplier shall demonstrate the benefits, including the pricing advantage, of the Master Agreement over alternative options, including competitive solicitation pricing and shall proactively offer the terms and pricing under the Master Agreement to Public Agencies as a more effective alternative to the cost and time associated with such alternate bids and solicitations.

(d) **Sales Commitment.** Supplier shall market the Master Agreement through Supplier's sales force or dealer network that is properly trained, engaged and committed to offering the Master Agreement as Supplier's primary offering to Public Agencies. Supplier's sales force compensation and incentives shall be greater than or equal to the compensation and incentives earned under other contracts to Public Agencies.

(i) **Supplier Sales.** Supplier shall be responsible for proactive sales of Supplier's Products and Services to Public Agencies and the timely follow-up to sales leads identified by U.S. Communities. Use of product catalogs, targeted advertising, direct mail, online marketing and other sales initiatives are encouraged. All of Supplier's sales materials targeted towards Public Agencies shall include the U.S. Communities logo. U.S. Communities hereby grants to Supplier, during the term of this Agreement, a non-exclusive, revocable, non-transferable, license to use the U.S. Communities name, trademark, and logo solely to perform its obligations under this Agreement, and for no other purpose. Any goodwill, rights, or benefits derived from Supplier's use of the U.S. Communities name, trademark, or logo shall inure to the benefit of U.S. Communities. U.S. Communities shall provide Supplier with its logo and the standards to be employed in the use of the logo. During the term of the Agreement, the Supplier shall provide U.S. Communities with its logo and the standards to be employed in the use of the logo for purposes of reproducing and using Supplier's name and logo in connection with the advertising, marketing and promotion of the Master Agreement to Public Agencies. Supplier shall assist U.S. Communities by providing camera-ready logos and by participating in related trade shows and conferences. At a minimum, Supplier's sales initiatives shall communicate that (i) the Master Agreement was competitively solicited by the Lead Public Agency, (ii) the Master Agreement provides the Supplier's best overall pricing and value to eligible agencies, (iii) there is no cost to Participating Public Agencies, and (iv) the Master Agreement is a non-exclusive contract.

(ii) **Branding and Logo Compliance.** Supplier shall be responsible for complying with the U.S. Communities branding and logo standards and guidelines. Prior to use by Supplier, all U.S. Communities related marketing material must be submitted to U.S. Communities for review and approval.

(iii) **Sales Force Training.** Supplier shall train its national sales force on the Master Agreement and U.S. Communities program. U.S. Communities shall be available to train on a national, regional or local level and generally assist with the education of sales personnel.

U.S. COMMUNITIES INFORMATION

3.5 Indemnity. Supplier hereby agrees to indemnify and defend U.S. Communities, and its parent companies, subsidiaries, affiliates, shareholders, member, manager, officers, directors, employees, agents, and representatives from and against any and all claims, costs, proceedings, demands, losses, damages, and expenses (including, without limitation, reasonable attorney's fees and legal costs) of any kind or nature, arising from or relating to, any actual or alleged breach of any of Supplier's representations, warranties, or covenants in this Agreement.

ARTICLE IV

PRICING AUDITS

4.1 Supplier shall, at Supplier's sole expense, maintain an accounting of all purchases made by Lead Public Agency and Participating Public Agencies under the Master Agreement. U.S. Communities and Lead Public Agency each reserve the right to audit the accounting for a period of three (3) years from the time such purchases are made. This audit right shall survive termination of this Agreement for a period of one (1) year from the effective date of termination. U.S. Communities shall have the authority to conduct random audits of Supplier's pricing that is offered to Participating Public Agencies at U.S. Communities' sole cost and expense. Notwithstanding the foregoing, in the event that U.S. Communities is made aware of any pricing being offered to three (3) or more Participating Public Agencies that is materially inconsistent with the pricing under the Master Agreement, U.S. Communities shall have the ability to conduct a reasonable audit of Supplier's pricing at Supplier's sole cost and expense during regular business hours upon reasonable notice. U.S. Communities may conduct the audit internally or may engage a third-party auditing firm on a non-contingent basis. Supplier shall solely be responsible for the cost of the audit. In the event of an audit, the requested materials shall be provided in the format and at the location where kept in the ordinary course of business by Supplier.

ARTICLE V

FEES & REPORTING

5.1 Administrative Fees. Supplier shall pay to U.S. Communities a monthly administrative fee based upon the total sales price of all purchases shipped and billed pursuant to the Master Agreement, excluding taxes, in the amount of two percent (2%) of aggregate purchases made during each calendar month (individually and collectively, "Administrative Fees"). Supplier's annual sales shall be measured on a calendar year basis. All Administrative Fees shall be payable in U.S. Dollars and shall be made by wire to U.S. Communities, or its designee or trustee as may be directed in writing by U.S. Communities. Administrative Fees shall be due and payable within thirty (30) days of the end of each calendar month for purchases shipped and billed during such calendar month. U.S. Communities agrees to pay to Lead Public Agency five percent (5%) of all Administrative Fees received from Supplier to help offset Lead Public Agency's costs incurred in connection with managing the Master Agreement nationally.

5.2 Sales Reports. Within thirty (30) days of the end of each calendar month, Supplier shall deliver to U.S. Communities an electronic accounting report, in the format prescribed by Exhibit B, attached hereto, summarizing all purchases made under the Master Agreement during such calendar month ("Sales Report"). All purchases indicated in the Sales Report shall be denominated in U.S. Dollars. All purchases shipped and billed pursuant to the Master Agreement for the applicable calendar month shall be included in the Sales Report. Submitted reports shall be verified by U.S. Communities against its registration database. Any data that is inconsistent with the registration database shall be changed prior to processing. U.S. Communities reserves the right upon reasonable advance notice to Supplier to change the prescribed report format to accommodate the distribution of the Administrative Fees to its program sponsors and state associations.

U.S. COMMUNITIES INFORMATION

assignable by Supplier without prior written consent of U.S. Communities, and any assignment without such consent shall be void.

(b) U.S. Communities. This Agreement and any rights or obligations hereunder may be assigned by U.S. Communities in U.S. Communities' sole discretion, to an existing or newly established legal entity that has the authority and capacity to perform U.S. Communities' obligations hereunder.

6.4 Notices. All reports, notices or other communications given hereunder shall be delivered by first-class mail, postage prepaid, or overnight delivery requiring signature on receipt to the addresses as set forth below. U.S. Communities may, by written notice delivered to Supplier, designate any different address to which subsequent reports, notices or other communications shall be sent.

U.S. Communities: U.S. Communities
9711 Washingtonian Blvd., Suite 100
Gaithersburg, MD 20878-7381
Attn: Program Manager Administration

Supplier: Shred-it USA LLC
28161 N. Keith Drive
Lake Forest, IL 60045
Attn: U.S. Communities Program Manager
C/O Vic Jovino

6.5 Severability. If any provision of this Agreement shall be deemed to be, or shall in fact be, illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

6.6 Waiver. Any failure of a party to enforce, for any period of time, any of the provisions under this Agreement shall not be construed as a waiver of such provisions or of the right of said party thereafter to enforce each and every provision under this Agreement.

6.7 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

6.8 Modifications. This Agreement may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the parties hereto.

6.9 Governing Law; Arbitration. This Agreement will be governed by and interpreted in accordance with the laws of the State of California without regard to any conflict of laws principles. Any dispute, claim, or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this dispute resolution clause, shall be determined by arbitration in Walnut Creek, California, before one (1) arbitrator. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. Judgment on the award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. The prevailing party will be entitled to recover its reasonable attorneys' fees and arbitration costs from the other party. The arbitration award shall be final and binding. Each party commits that prior to commencement of arbitration proceedings, the parties shall submit the dispute to JAMS for mediation. The parties will cooperate with JAMS and with one another in selecting a mediator from JAMS panel of neutrals, and in promptly scheduling the mediation proceedings. The parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs. The mediation will be conducted by each party designating a

U.S. COMMUNITIES INFORMATION

IN WITNESS WHEREOF, U.S. Communities has caused this Agreement to be executed in its name and Supplier has caused this Agreement to be executed in its name, all as of the date first written above.

U.S. Communities:

U.S. COMMUNITIES GOVERNMENT PURCHASING ALLIANCE

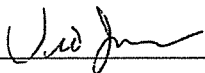
By _____

Name: _____

Title: _____

Supplier:

SHRED - IT USA LLC

By 

Name: VIC JOVINO

Title: DIRECTOR, GOVERNMENT PROGRAMS

SUPPLIER WORKSHEET FOR NATIONAL PROGRAM CONSIDERATION

Suppliers are required to meet specific qualifications for national program consideration. Please respond in the spaces provided after each qualification statement below:

- A. Will pricing for all Products/Services offered be the most competitive pricing offered by your organization to Participating Public Agencies nationally?
YES NO

- B. Does your company have the ability to provide products and services to any Participating Public Agency in all 50 states?
YES *NO
(*If no, identify the states where you do not have the ability to provide products and services to Participating Public Agencies.)

- C. Does your company have a national sales force, dealer network or distributor with the ability to call on Participating Public Agencies in at least 35 U.S. states?
YES *NO
(*If no, identify the states where you have the ability to call on Participating Public Agencies.)

- D. Check which applies for your company sales last year in the United States:
 Sales between \$0 and \$25,000,000
 Sales between \$25,000,001 and \$50,000,000
 Sales between \$50,000,001 and \$100,000,000
 Sales greater than \$100,000,001

- E. Will your company assign a dedicated National Account Manager to support the resulting U.S. Communities contract?
YES NO

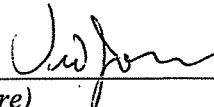
- F. Does your company maintain records of your Participating Public Agencies' sales that you can and will share with U.S. Communities to monitor program implementation progress?
YES NO

- G. Will your company commit to the following implementation schedule?
YES NO

- H. Will the U.S. Communities contract be your lead public offering to Participating Public Agencies?
YES NO

Submitted by:

VIC JOVINO
(Printed Name)


(Signature)

DIRECTOR, GOVERNMENT PROGRAMS
(Title)

FEB 5, 2018
(Date)

**CONTRACTOR AFFIDAVIT & AGREEMENT
(EXHIBIT A)**

This affidavit must be signed, notarized and submitted with any bid requiring the performance of physical services. If the affidavit is not submitted at the time of the bid, the bid will be determined non-responsive and will be disqualified.

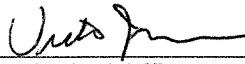
By executing this affidavit, the undersigned contractor verifies compliance with O.C.G.A. §13-10-91, stating affirmatively that the individual, firm or corporation which is contracting with Cobb County, Georgia, has registered with, is authorized to use, and is participating in a federal work authorization program (an electronic verification of work authorization program operated by the U.S. Department of Homeland Security or any equivalent federal work authorization program operated by the U.S. Department of Homeland Security to verify information of newly hired employees, pursuant to the Immigration Reform and Control Act of 1986 (IRCA)). The undersigned contractor further attests that it will continue to use the federal Employment Eligibility Verification (EEV) work authorization program throughout the contract period.

The undersigned further agrees that should it employ or contract with any subcontractor(s) or should its subcontractor(s) employ other subcontractor(s) for the physical performance of services pursuant to the contract with Cobb County, Georgia, the contractor or subcontractor will:

- (1) Notify the County within five business days of entering into a contract or agreement for hire with any subcontractor(s);
- (2) Secure from any subcontractor(s) and/or their subcontractor(s) verification of compliance with O.C.G.A. § 13-10-91 on the attached Subcontractor Affidavit (EXHIBIT A-1) prior to the commencement of any work under the contract/agreement;
- (3) Secure from any subcontractor(s) and/or their subcontractor(s) a completed Immigration Compliance Certification (EXHIBIT A-2) prior to the commencement of any work under the contract/agreement;
- (4) Provide the subcontractor(s) with legal notice that Cobb County, Georgia, reserves the right to dismiss, or require the dismissal of, any contractor or subcontractor for failing to provide the affidavit and/or for failure to comply with the requirements referenced in the affidavit;
- (5) Maintain records of such compliance and provide a copy of each such verification to Cobb County, Georgia, at the time the subcontractor(s) is retained to perform such services or upon any request from Cobb County, Georgia; and
- (6) Maintain such records for a period of five (5) years.

94954
EEV (E-Verify) Program Number

1/28/2008
EEV Program Date of Authorization

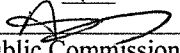

BY: Authorized Officer or Agent
[Contractor Name]

STERICYCLE
Contractor Business Name

VICTOR JOVINO
Printed Name

FEB 1, 2018
Date

SWORN AND SUBSCRIBED BEFORE ME
ON THIS THE 1 DAY OF Feb, 2018


Notary Public Commission Expires: 8/22/22

Effective 09-20-2013

Alexander D Bakogiannis
Notary Public
New Jersey
My Commission Expires 08-22-2022
No. 2424233

Section 1: 10-K (10-K)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2016

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number 1-37556

Stericycle, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

36-3640402

(IRS Employer Identification Number)

28161 North Keith Drive

Lake Forest, Illinois 60045

(Address of principal executive offices, including zip code)

(847) 367-5910

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Common stock, par value \$.01 per share	NASDAQ Global Select Market
Depository Shares, each representing a 1/10th ownership interest in a share of 5.25% Mandatory Convertible Preferred Stock, Series A, par value \$0.01 per share	NASDAQ Global Select Market
(Title of each class)	(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Act of 1934. YES NO

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K, or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2 of the Exchange Act). YES NO

State the aggregate market value of voting and non-voting common equity held by non-affiliates computed by reference to the price at which common equity was last sold as of the last business day of the registrant's most recently completed second fiscal quarter (June 30, 2016): \$8,846,584,641.

On March 1, 2017, there were 85,247,156 shares of the Registrant's Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Information required by Items 10, 11, 12 and 13 of Part III of this Report is incorporated by reference from the Registrant's definitive Proxy Statement for the 2017 Annual Meeting of Stockholders to be held on May 24, 2017.



Stericycle, Inc.

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PART I

Item 1. Business

Unless the context requires otherwise, "we," "us" or "our" refers to Stericycle, Inc. and its subsidiaries on a consolidated basis.

Overview

Services

Stericycle is a business-to-business services provider with a focus on regulated and compliance solutions for healthcare, retail, and commercial businesses. This includes the collection and processing of regulated and specialized waste for disposal and the collection of personal and confidential information for secure destruction, plus a variety of training, consulting, recall/return, communication, and compliance services. We operate integrated operations and customer service networks in the United States and 21 other countries. Our worldwide networks include a total of 252 processing facilities, 102 other service facilities, 340 transfer sites, and 3 landfills.

More specifically, our services and products include:

- Medical waste management services
- Reusable sharps disposal management services
- Pharmaceutical waste services
- Integrated Waste Stream Solutions ("IWSS") program
- Hazardous waste management services
- Sustainability and recycling services for expired or unused inventory
- Secure information destruction and hard drive destruction services
- Compliance programs under the Steri-Safe®, Clinical Services, SeguriMed and EnviroAssure brand names
- Regulated recall and returns management communication, logistics, and data management services for expired, withdrawn or recalled products
- Live voice and automated communication services including afterhours answering, appointment scheduling, appointment reminders, secure messaging, and event registration
- Mailback solutions for regulated medical waste, universal wastes, pharmaceutical wastes, and other specialty wastes

During 2016, we made certain changes to our organizational structure to integrate the domestic and international Shred-it operations. In Q2 2016, we changed the composition of our operating segments to further align our compliance and communication services. Due to this change, part of our Domestic Regulated Waste and Compliance Services operating segment was combined with the legacy Domestic Regulated Recall and Returns Management Services operating segment to form a new operating segment, Domestic Communication and Related Services ("Domestic CRS").

In Q4 2016, we made an additional change to our organizational structure and management reporting. As a result of these changes, our Domestic Regulated Waste and Compliance Services (“Domestic RCS”) will now include our Canadian operations. The operations in Canada had previously been reported as part of the International RCS operating segment. As a result of these changes, our Domestic RCS operating segment will now become (“Domestic and Canada RCS”).

Domestic CRS does not meet the quantitative criteria to be a separate reportable segment and therefore is included in All other. Beginning in Q4 2016, costs related to our corporate headquarter functions are also included in All other.

Our three operating segments are:

- Domestic and Canada RCS,
- Domestic CRS, and
- International RCS.

Customers

Our broad offering of services appeals to a wide range of small and large business customers. While the majority of our customers are healthcare businesses (hospitals, physician and dental practices, outpatient clinics, long-term care facilities, etc.), we also provide services to retailers, manufacturers, financial services providers, professional services providers, governmental entities, and other businesses.

In total, we serve more than 1,000,000 customers worldwide. No single customer accounts for more than 1.1% of our total revenues, and our top ten customers collectively account for approximately 7.1% of total revenues. We provide service to the majority of these customers through multi-year contracts. Although we have several standard contracts, terms vary depending upon the customer’s service requirements.

Business Strategy

Focus on Regulated Business-to-Business Operations

We have a focus on business-to-business services in areas of operations that are highly regulated. By helping our customers maintain compliance with complex regulations, we protect people and brands, promote health, and safeguard the environment. Governmental legislation and regulation increasingly requires the proper handling and disposal of items such as medical waste, hazardous waste, pharmaceutical waste, and personal and confidential information. Regulated waste can be defined as any material with government-imposed guidelines for handling the material for transportation or disposal. Medical waste, such as needles, syringes, gloves, cultures and potentially infectious agents, blood and blood products, can potentially cause an infectious disease. Hazardous waste is designated and governed by federal and local environmental protection agencies but generally includes waste that is considered dangerous or potentially harmful to our health or the environment. Hazardous wastes can be liquids, solids, gases, or sludges. Pharmaceutical waste may be hazardous or nonhazardous and consists of expired, recalled, or otherwise unused pharmaceuticals. Personal and confidential information includes documents and e-media containing protected healthcare information, financial information, or other confidential information. Additionally, the regulatory environment related to promoting overall health and protecting consumers from unsafe products continues to increase.

Focus on the Small Customer with Recurring Service Needs

Our business strategy recognizes that smaller businesses have an even greater need for support with compliance matters since they tend to lack the specialized staff that is found at larger businesses. With a small business,

regulatory and compliance matters are often managed by a business owner, office manager, or facility supervisor who manage multiple functions for the organization and often lack the time and resources to properly investigate and comply with a wide range of regulations that may impact their operations. In response to this need of small businesses, we developed comprehensive and customized packages to accommodate varying customer requirements. This business strategy has guided us as we have expanded into additional service offerings including hazardous or pharmaceutical waste management, communication services, and secure information destruction.

Organic Growth

As a leading provider in regulated and compliance solutions, we continue to focus on enhancing our service offerings and platforms to exceed customer expectations. We have developed a strong and loyal customer base, with a revenue retention rate exceeding 90%, and have been able to leverage these customer relationships to provide additional services. Our growth strategy focuses on selling additional services to existing customers as well as securing new customer relationships.

Growth through Acquisition

The various regulated waste and compliance services that we provide tend to be in highly fragmented industries. We have proved that acquisitions are a rapid and efficient way to scale operations, build critical customer density for transportation and treatment operations, and enter new markets or geographies, as well as an opportunity to introduce our additional services to the acquired customers. In our early history, acquisitions were a key strategy to building our customer base and route density in the United States. We have been able to expand internationally through acquisition and now operate in 21 different markets outside the U.S. Over our history, Stericycle has completed 466 acquisitions, with 251 in the United States and 215 internationally. During 2016, we completed 31 acquisitions. We expect to continue our acquisition strategy, remaining focused on small, highly accretive, tuck in acquisitions that broaden our various service capabilities while creating value for our shareholders.

Market Size and Growth Potential

We provide a wide range of services across multiple market segments and industries. We believe the size of the global market for the services we provide, in the geographies we currently operate in, is expected to be approximately \$37 billion in 2017. Industry growth is driven by a number of factors. These factors include:

- **Aging Population:** The average age of the population in the countries where we operate is rising. As people age, they typically require more medical attention and a wider variety of tests, procedures and medications, leading to an increase in the quantity of regulated medical waste, hazardous waste, and pharmaceutical waste, as well as an increase in confidential healthcare records requiring secure destruction.
- **Pressure to Reduce Healthcare Costs While Improving Outcomes:** The healthcare industry is under pressure to reduce costs and at the same time improve healthcare outcomes for patients served. By outsourcing services not directly tied to the delivery of healthcare services, these organizations can potentially reduce costs and improve staff efficiencies. By leveraging third party experts, healthcare organizations may also limit their potential liability for regulatory compliance.
- **Enforcement of Regulations:** Enforcement of regulations relating to the management of regulated waste and protected information is increasing. Penalties for violations can be costly as well as high profile thereby impacting a business' overall reputation. Greater enforcement combined with higher penalties results in more compliance and a corresponding increase in potential customers.
- **Safety and Security Regulation:** We believe that many businesses that are not currently using third party regulated waste management, secure information destruction, or recall and communication services are unaware either of the need for proper training of employees or of the regulatory requirements. Similarly, many

businesses find the proper handling of expired or recalled products requires an expertise and efficient processes that they lack.

- **Increased Business Focus on Sustainability:** Businesses large and small are continuing to realize that the focus on sustainability is now essential to operating efficiently and meeting the increasing demands of customers for environmental responsibility. Such pressures are driving proper disposal of pharmaceuticals, recycling efforts, creative disposal efforts for unused inventory, shred-all policies for paper, and other initiatives supported by our services.
- **Regulation of Privacy and Information Security and Concerns over Data Breaches:** The continued development and growth of the secure information destruction industry has been driven, in part, by the need for compliance with increasing government regulation with respect to privacy and information security. These regulations take different forms, with some requiring organizations to establish reasonable measures to protect against loss, theft and unauthorized access, use and disclosure, and others imposing data retention requirements that require businesses to destroy or render anonymous personal information when it's no longer required for a legal or legitimate business purpose. Secure information destruction services are increasingly a standard measure that organizations take to meet their legal safeguarding and retention requirements.
- **Fragmented Markets:** The industries in which we operate are highly fragmented with numerous small competitors operating within a limited geographic area and with a narrow focus on a specific service. Opportunities exist to drive efficiencies by consolidating operations.
- **International Market Development:** The medical waste, hazardous waste, and secure information destruction regulations in certain international markets are at an early stage of development relative to North America and Europe. As emerging markets continue to advance their healthcare practices, environmental controls, and data privacy regulations, we expect to see further demand for our services on a global scale.

Competitive Strengths

We believe that we benefit from the following competitive strengths, among others:

- **Broad Range of Services:** We offer our customers a broad range of services. We work with businesses across a number of industries such as healthcare, manufacturing, and retail to safely and efficiently dispose of regulated materials, ensure regulatory compliance, improve employee and customer safety, protect their brands, improve communications with patients, and manage corporate and personal risk.
- **Strong Service Relationships with Customers:** We offer our customers necessary services which require access to their facilities, operating information, or customer data. This relationship, supported by a history of strong service, allows us access to decision makers to offer additional opportunities.
- **Long-term Contracts:** The majority of services we provide involve long-term contracts.
- **Established Network of Processing and Transportation Locations in Each Country:** We believe that our infrastructure network results in a very efficient operation with alternate treatment or destruction options for our customers. The network also provides redundancy so that we can quickly redirect services or operations to another location should such needs exist due to severe weather, power outages, or other similar situations.
- **Routing Logistics:** We maintain a vast transportation network that is focused on route efficiency. This advantage has been built over more than two decades with a deliberate focus on building route density as well as continuous technological investments to optimize routing at both the individual truck and geographic market level.

- **Industry Leadership and Expertise:** We maintain a global leadership position across our various services lines, including regulated medical waste, retail and healthcare hazardous waste, secure information destruction, and product recalls and returns. We attract and retain highly experienced team members who have a deep understanding of the industries they serve, the regulatory climate, and the evolving needs of the customers we serve.
- **Volume-based Leverage for Disposal, Treatment or Recycling:** As a leading service provider for regulated medical waste, hazardous waste, and secure information destruction, we can leverage large volumes of waste, recyclables, and paper to obtain better pricing on final treatment, disposal and/or recycling.
- **Secure Management of Information for Destruction:** With the acquisition of Shred-it, Stericycle is now the global leader in secure information destruction. Our processes for managing information for destruction meet or exceed the requirements of the National Association for Information Destruction ("NAID") AAA Certification and support our customers' requirements to comply with the Gramm-Leach-Bliley Act ("GLBA"), the Fair and Accurate Credit Transaction Act ("FACTA"), and Health Insurance Portability and Accountability Act ("HIPAA") Privacy Rules in the U.S. and other data security regulations abroad.
- **Ability to Integrate Acquisitions:** Since 1993 we have completed 466 acquisitions in the United States and internationally and have demonstrated a consistent ability to successfully integrate our acquisitions.
- **Experienced Senior Management Team:** We have experienced leadership. Our senior management team has over 120 years of management experience in the health care and specialty waste management industries.

Regulated Waste and Secure Information Destruction Operations

Collection and Transportation

Logistics is a key element of our business, especially in regard to managing regulated waste and secure information destruction. Efficiency of collection and transportation is critical to our operations because it represents the largest component of our operating costs.

For medical waste, hazardous waste, pharmaceutical waste, or secure information destruction, the collection process begins at the customer location with segregation. To assure regulatory compliance, we will not accept material from customers unless it complies with our waste acceptance protocols and is properly stored or packaged in containers that we have either supplied or approved.

Our fleet of transportation vehicles then collects containers at the customer location. The majority of collected waste is then transported directly to one of our processing facilities or to one of our transfer stations until it's transported to a processing facility. Our use of transfer stations in a "hub and spoke" configuration improves the efficiency of our collection and transportation operations by expanding the geographic area that a particular processing facility can serve thereby increasing the utilization of the facility and the volume of waste that it processes.

Processing and Disposal of Regulated Medical Waste

Stericycle was founded on the belief that there was a need for safe, secure and environmentally responsible management of regulated medical waste. From our beginning, we have encouraged the use of non-incineration treatment technologies. While we recognize that some state regulations currently mandate that some types of regulated waste must be incinerated, we also know from years of experience working with our customers that there are ways to reduce the amount of regulated waste that is ultimately incinerated. The most effective strategy that we have seen involves comprehensive education of our customers in waste minimization and segregation.

Upon arrival at a processing facility, containers or boxes of regulated waste undergo a quality control process to verify that they do not contain any unacceptable substances. Any container or box that is discovered to contain unacceptable waste goes through a corrective action process which could include redirecting the waste, returning the waste to the customer, and/or notifying the appropriate regulatory authorities. From there, regulated medical waste is processed using one of several treatments or processing technologies, predominantly at one of our wholly-owned facilities.

- **Autoclaving:** Autoclaving treats regulated waste with steam at high temperature and pressure to kill pathogens.
- **Incineration:** Incineration burns regulated waste at elevated temperatures and reduces it to ash. Incineration reduces the volume of waste, and it is the recommended treatment and disposal option for some types of regulated waste such as anatomical waste, residues from chemotherapy procedures and non-hazardous pharmaceutical waste. Air emissions from incinerators can contain certain byproducts that are subject to federal, state, and in some cases, local regulation. In some circumstances, the ash byproduct of incineration may be regulated.

Upon completion of the particular process, the resulting waste or incinerator ash is transported for disposal in a landfill owned by unaffiliated third parties.

Processing and Disposal of Hazardous Wastes

Our technicians receive hazardous wastes either as expired goods requiring deconstruction or as defined hazardous wastes. Expired goods are deconstructed to recover metals and plastics for recycling thereby minimizing the total volume of waste disposed of as hazardous waste. Materials that are predefined as hazardous upon collection are bulked together or consolidated at treatment storage and disposal facilities for more efficient transport to the final disposal or processing destination. Whenever possible, we seek sustainable solutions for managing materials including alternative uses, recovery processes, recycling options, fuel blending, or energy recovery. When sustainable options do not exist, these wastes are sent to third parties for incineration, landfill and water treatment.

Destruction and Recycling of Secure Information

If not sorted on site in a proprietary Shred-it information destruction truck, documents are sent to a shredding facility for secure destruction. Documents are cross-cut shredded and then baled to be sold as office paper (SOP) for recycling.

Communication Solutions and Expert Solutions Business Overview

Our Communication Solutions service line provides a broad range of live voice or automated services to help our customers keep in touch with their patients and clients. Our team serves as a client representative providing answering services, appointment scheduling or reminders, event registration, and other activities. Providing these solutions requires sophisticated information management systems to redirect calls, store and quickly retrieve live voice protocols or client data, send automated communications, or provide easily accessible reporting and activity details to our customers. Beyond the information management system infrastructure, call center staffing and education levels are critical to success. We leverage sophisticated workflow analysis and staffing tools to ensure redundancies are in place in order to handle call volumes quickly and consistently across our multiple call centers during peak volumes.

Our Expert Solutions service line acts as a business partner to automotive, food/beverage, medical device, pharmaceutical, consumer goods manufacturers and retailers to guide them through critical recalls, retrievals, or audit processes to ensure brand protection. Services could include notification services to impacted customers, call center services to support a recall or retrieval, removing impacted product from distribution, processing recalled product and supporting remedy requirements, and compliance reporting. These solutions are highly customized based on the product being recalled or retrieved and the specific needs of the client.

Competition

The industries and markets in which we operate are highly competitive, and barriers to entry are low. Our competitors consist of many different types of service providers, including national, regional and local companies. In the regulated waste and secure information destruction industries, another major source of competition is on-site treatment. For regulated medical waste, some large-quantity generators, particularly hospitals may choose an onsite autoclave or other treatment process. For secure information destruction, many businesses may choose to use small, on-site shredders for their documents. Similarly, customers could handle recalls or communication needs internally.

In addition, we face potential competition from businesses that are attempting to commercialize a wide range of technologies that directly or indirectly reduce the need for regulated medical waste, hazardous waste or secure information destruction services.

Governmental Regulation

The regulated medical waste, hazardous waste, secure information destruction, and recall industries are subject to numerous regulations. In many countries there are multiple regulatory agencies at the local and national level that affect our customers or our services. This statutory and regulatory framework imposes a variety of compliance requirements, including requirements to obtain and maintain government permits. We maintain numerous governmental permits, registrations, and licenses to conduct our business in the jurisdictions in which we operate. Our permits vary by jurisdiction based upon our activities within that jurisdiction and on the applicable laws and regulations of that jurisdiction. These permits grant us the authority, among other things:

- to construct and operate collection, transfer and processing facilities;
- to transport regulated waste within and between relevant jurisdictions; and
- to handle particular regulated substances.

Our permits must be periodically renewed and are subject to modification or revocation by the issuing authority. Periodic renewals are subject to public participation and can lead to additional regulatory oversight. We are also subject to regulations that govern the definition, generation, segregation, handling, packaging, transportation, treatment, storage and disposal of regulated waste. In addition, we are subject to extensive regulations to ensure public and employee health and safety at the federal, state and local levels.

U.S. Federal and Foreign Regulation

We are subject to substantial regulations enacted and enforced by the U.S. government and by the governments of the foreign jurisdictions in which we conduct regulated waste and secure information destruction operations. The specific statutory and regulatory requirements we must comply with vary from jurisdiction to jurisdiction. The laws governing our domestic and international operations generally consist of statutes, legislation and regulations concerning environmental protection, employee health and welfare, transportation, the use of the mail, and

proper handling and management of regulated waste streams, controlled substances and personal and confidential information.

Environmental Protection

Certain service lines within our business are subject to extensive and evolving environmental regulations in all of the geographies in which we operate. Generally, the environmental laws we are subject to regulate the handling, transporting, and disposing of hazardous and non-hazardous waste, the release or threatened release of hazardous substances into the environment, the discharge of pollutants into streams, rivers, groundwater and other surface waters, and the emission of pollutants into the air. The principal environmental laws that govern our operations in the U.S. are state environmental regulatory agencies as they provide the specific legislative and or regulatory frameworks which require the management and treatment of regulated medical waste. Additionally, the Resource Conservation and Recovery Act of 1976 ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), and the Clean Air Act of 1970 are the federal regulations that affect management of certain aspects of regulated medical waste and all RCRA hazardous wastes. CERCLA and state laws similar to it may impose strict, joint and severe liabilities on the current and former owners and operators of facilities from which release of hazardous substances has occurred and on the generators and transporters of the hazardous substances that come to be located at these facilities. The ten incinerators at seven facilities we currently operate in the U.S. must comply with the emissions standards imposed by the applicable states permitting authorities pursuant to regulations promulgated under the Clean Air Act as well as state and/or municipal waste permit requirements.

Examples of environmental laws applicable to our international operations include the Waste Framework Directive, Environmental Liabilities Directive, Industrial Emissions Directive and the Shipments of Waste Regulations in the European Union ("EU"), Ley 154 (Residuos Patogenicos) in Argentina, Lei 12.305/2010 (Lei Ordinária) Institui A Política Nacional De Resíduos Sólidos in Brazil, and the Canadian Environmental Protection Act and related regulations in Canada.

Employee Health and Welfare

We are also subject to numerous regulations promulgated to protect and promote worker health and welfare through the implementation and enforcement of standards designed to prevent illness, injury and death in the workplace. The primary federal laws relating to employee health and welfare applicable to our business in the U.S. are in the Occupational Safety and Health Act of 1970 ("OSHA"), which establishes specific employer responsibilities including engineering controls, administrative controls, training, policies and programs complying with the regulations and ultimately recordkeeping and reporting, all in an effort to ensure a safe workplace. Various OSHA standards apply to almost all aspects of our operations and govern such matters as exposure to blood borne pathogens, hazard communication, personal protective equipment, etc.

Employee health and welfare laws governing our business in global jurisdictions include examples such as the Workplace Health and Safety Directive and the directive concerning ionizing radiation in the EU, and various provisions of the Canada Labour Code and related occupational safety and health regulations in the provinces and territories of Canada.

Transportation

Various laws regulating the transportation of waste and other potentially hazardous materials also apply to the services we provide. In the U.S., the Department of Transportation ("DOT") has promulgated regulations which deal with two different aspects of transportation: hazardous materials transport and safety in transportation. These regulations are defined within the Pipeline Hazardous Materials Safety Administration ("PHMSA") and the Federal Motor Carrier Safety Administration ("FMCSA"). These federal requirements plus additional state requirements are closely monitored internally. Due to our fleet size we are regularly subject to road side

inspections. These inspections have a cumulative effect on our compliance history and require us to remain in good standing so as not to jeopardize our permits.

Examples of transportation laws we must comply with internationally include the Directive on the Inland Transportation of Dangerous Goods in the EU and the Transport of Dangerous Goods Act and related regulations in Canada, and globally the International Maritime Dangerous Goods Code and the IATA Dangerous Goods Regulations.

Document Management

Numerous laws and regulations require proper protection of confidential customer information by business parties that have access to such information. In the U.S., the most commonly cited regulations include the FACTA Final Disposal Rule, the FACTA Red Flag Rule, the HIPAA Privacy Rule, and the GLBA.

For the transportation of secure information for destruction, we are regulated by the U.S. Department of Transportation as a commercial motor carrier. The processes for the destruction of secure information destruction processes are not regulated by any government agency. However, the NAID maintains a certification to ensure that destruction processes support the needs of organizations to meet laws and regulations relating to the protection of confidential information. We currently hold the NAID AAA Certification. Further, Payment Card Industry ("PCI") Security Standards Council has developed Data Security Standards which are imposed upon merchants utilizing credit cards and require destruction of documents and media in accordance with their standards.

Use of the Mail

United States Postal Service ("USPS") has its own set of specific regulations defined in Publication 52 which governs the use of the postal system for mailing of hazardous, restricted and perishable materials. More specifically, mailback management offerings for sharps, medical waste, and pharmaceutical wastes, require us to obtain and maintain authorization permits from the USPS. We have obtained permits from the USPS to conduct our "mail-back" programs which provide a convenient service for customers who need such a service with approved containers for "sharps" (needles, knives, broken glass and the like) or other regulated wastes to be sent directly to a treatment facility.

Controlled Substances

Our service offerings for the recall, return and destruction of controlled substance pharmaceuticals are subject to numerous laws and regulations under various international federal agencies, such as the Drug Enforcement Administration ("DEA") in the US. These regulations apply to both the closed loop management of controlled substances as well as the return of unused controlled substances from consumers. These regulations typically require facilities to obtain a registration of license and meet certain criteria in order to collect, process, and dispose of controlled substances. The regulations have very strict requirements for the management of employees, the type of security within facilities, recordkeeping, and the reporting of all controlled substances managed at the facility. Much like permitting, the registration must be updated regularly and subjects us to inspection and enforcement.

U.S. and Foreign Local Regulation

We conduct business in all 50 states and Puerto Rico. Because the federal EPA did not promulgate regulations for regulated medical waste at a national level, each state has its own regulations related to the handling, treatment and storage of regulated medical waste. Many states have followed requirements similar to the Medical Waste Tracking Act of 1988 or have placed medical waste regulations under solid waste regulations. Hazardous waste in the U.S. is regulated under the RCRA. In addition, certain states may have their own regulations for handling, treatment and storage of hazardous wastes. Regulated garbage (sometimes referred to as "APHIS waste" taken from the Animal Plant and Health Inspection Service) is another area of regulatory requirements we are subject to

pursuant to regulations promulgated by the United States Department of Agriculture ("USDA") and Customs and Border Patrol. The USDA typically inspects our facilities receiving such APHIS waste on a quarterly basis.

In each state where we operate a processing facility or a transfer station, we are required to comply with varying state and local laws and regulations which may also require a specific operating plan. In addition, many local governments have ordinances and regulations, such as zoning or wastewater regulations that affect our operations. Similarly, our international operations are subject to regulations enacted and enforced at the provincial, municipal, and local levels of government in addition to the national regulations with which we must comply.

Patents and Proprietary Rights

With the acquisition of Shred-it, we hold patents in the U.S. for a two-staged shredder with patents pending in Canada and Europe. We also hold patents in the U.S., Canada, and Europe for Securshield, propriety locks for shredding containers.

We own federal registrations for a number of trademarks/servicemarks including Stericycle®, Steri-Safe®, Stericycle ExpertRECALL®, Sustainable Solutions®, Bio Systems®, LiveAnswer®, Shred-it®, Securit®, Community Shred-it®, Making Sure it's Secure®, and our company logo service mark consisting of a nine-circle design. We also hold international registrations for Stericycle, the nine-circle design used in our logo, and the Shred-it name and design.

Potential Liability and Insurance

The regulated waste industry involves potentially significant risks of statutory, contractual, tort and common law liability claims. Potential liability claims could involve, for example:

- cleanup costs;
- personal injury;
- damage to the environment;
- employee matters;
- property damage; or
- alleged negligence or professional errors or omissions in the planning or performance of work.

We could also be subject to fines or penalties in connection with violations of regulatory requirements.

We carry \$75 million in general liability insurance (including umbrella coverage), and under separate policies, \$25 million in aggregate of pollution legal liability insurance and contractor's operations and professional services environmental insurance (\$10 million per incident and \$15 million excess per incident under each respective policy). We carry comprehensive policies that include: privacy liability, security liability, event management, cyber-liability and miscellaneous professional services errors and omissions coverages with the total of \$15 million in coverage (\$5 million primary and two excess follow form policies with \$10 million in coverage). We consider this insurance sufficient to meet regulatory and customer requirements and to protect our employees, assets and operations.

Executive Officers of the Registrant

The following table contains certain information regarding our seven current executive officers:

Name	Position	Age
Charles A. Alutto	President and Chief Executive Officer	51
Brent Arnold	Executive Vice President and Chief Operating Officer	48
Daniel V. Ginnetti	Executive Vice President and Chief Financial Officer	48
Ruth Abdulmassih	Executive Vice President and President, Communication & Related Services	55
John P. Schetz	Executive Vice President and General Counsel	40
Brenda Frank	Executive Vice President and Chief People Officer	47

Charlie Alutto has served as President and Chief Executive Officer since January 2013 and as a Director since November 2012. He joined us in May 1997 following our acquisition of the company where he was then employed. He became an executive officer in February 2011 and served as President, Stericycle USA. He previously held various management positions with us, including vice president and managing director of SRCL Europe and corporate vice president of our large quantity generator business unit. Mr. Alutto received a B.S. degree in finance from Providence College and a M.B.A. degree in finance from St. John's University.

Brent Arnold was named as Chief Operating Officer during 2015. He joined Stericycle in April 2005 and has worked in various leadership positions including Senior Vice President of Operations, Senior Vice President of Sales & Marketing for the US, Corporate Vice President of our large and small quantity business units, and Executive Vice President and President, Stericycle USA. He has more than 24 years of experience primarily focused in the healthcare industry. Prior to joining Stericycle, he held various leadership roles at Baxter International Inc. and Cardinal Health, Inc. Mr. Arnold received a B.S. degree in marketing from Indiana University.

Daniel Ginnetti was named as Chief Financial Officer during 2014. He joined Stericycle as Area Vice President of Finance in 2003. In 2004 he was promoted to Area Vice President for Stericycle's Western, and later, Midwestern business units. Following that, he was promoted to Senior Vice President of Operations for the United States and Canada. He returned to financial management in 2013 becoming Vice President of Corporate Finance and then CFO in August 2014. Prior to joining Stericycle, Mr. Ginnetti held various finance and accounting positions with The Ralph M. Parsons Company, a worldwide engineering firm, and Ryan Herco Products Corp., a national industrial plastics distributor. Mr. Ginnetti has a B.S. degree in Business Economics from the University of California, Santa Barbara.

Ruth-Ellen Abdulmassih was named Executive Vice President, Communication & Related Services during February of 2017. She joined Stericycle in November 2006 and has worked in various leadership positions in the Expert Solutions, Environmental Solutions and Communication Solutions businesses. Prior to her appointment, Ms. Abdulmassih was General Manager of the Communication & Related Services Business. She has 30 years of experience including working in various leadership roles in multiple businesses of Abbott Laboratories. Ms. Abdulmassih received a B.S. degree in Business/Marketing from Northwood Institute.

John Schetz has served as Executive Vice President and General Counsel since April 2015. Mr. Schetz previously served as Vice President and Senior Counsel from January 2013. He joined us in June 2009 as Senior Counsel, Mergers and Acquisitions. Prior to joining Stericycle, Mr. Schetz was a partner at McDermott Will & Emery LLP in Chicago. Mr. Schetz received a B.A. degree from the University of Michigan and a J.D. degree from the University of Michigan Law School.

Brenda Frank has served as Executive Vice President and Chief People Officer since January 2016. Brenda joined Stericycle with our acquisition of Shred-it in October 2015 where she spent six years as General Counsel and

Executive Vice President of Human Resources and Franchise Relations. Ms. Frank has spent the last 20 years focusing on people, labor and employment, holding senior human resources and legal roles at global services companies such as ITOCHU INTERNATIONAL and Pitney Bowes. She started her career as a labor and employment attorney and litigator at Wilson Sonsini Goodrich & Rosati and Proskauer Rose. Ms. Frank received her B.S. in Accounting from S.U.N.Y Albany and her J.D. from New York University Law School.

Website Access

We maintain an Internet website, www.stericycle.com, providing a variety of information about us and the services we provide. Our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K that we file with the Securities and Exchange Commission are available, as soon as practicable after filing, at the Investors page on our website, or by a direct link to our filings on the SEC's free website, www.sec.gov.

Item 1A. Risk Factors

We are subject to extensive governmental regulation, which is frequently difficult, expensive and time-consuming to comply.

The regulated waste management and secure information destruction industries are subject to extensive federal, state and local laws and regulations relating to the collection, transportation, packaging, labeling, handling, documentation, reporting, treatment and disposal of regulated waste and the proper handling and protection of personal and confidential information. Our business requires us to obtain many permits, authorizations, approvals, certificates, and other types of governmental permissions and to comply with various regulations in every jurisdiction in which we operate. Federal, state and local regulations change often, and new regulations are frequently adopted. Changes in the regulations could require us to obtain new permits or to change the way in which we operate our business. We might be unable to obtain the new permits that we require, and the cost of compliance with new or changed regulations could be significant.

Many of the permits that we require, especially those to build and operate processing plants and transfer facilities, are difficult and time-consuming to obtain. They may also contain conditions or restrictions that limit our ability to operate efficiently, and they may not be issued as quickly as we need them (or at all). If we cannot obtain the permits, or if they contain unfavorable conditions, it could substantially impair our operations and reduce our revenues and/or profitability.

The level of governmental enforcement of environmental regulations has an uncertain effect on our business and could reduce the demand for our services.

We believe that strict enforcement of laws and regulations relating to regulated waste collection and treatment and the proper handling and protection of personal and confidential information by governmental authorities can have a positive effect on our business. These laws and regulations increase the demand for our services. Relaxation of enforcement or other changes in governmental regulation of regulated waste and personal and confidential information could increase the number of competitors we face or reduce the need for our services.

Unfavorable market conditions, including those driven by economic or social trends, may impact the volume of regulated wastes or personal and confidential information we collect from customers.

The compliance-based services we provide rely on the generation of regulated wastes or personal and confidential information by our customers. The amount of material generated by our customers may be impacted by macro-economic trends associated with manufacturing and industrial markets, healthcare market dynamics, and trends associated with electronic and digital record keeping. Many of our services are provided on a subscription basis with a monthly fee to minimize short-term or cyclical variability associated with these factors. However, some of

our services are provided on a transactional basis, and long-term trends resulting from these factors could reduce the demand for our services, whether we provide them on a subscription or transactional basis.

The amount of our indebtedness could adversely affect our business.

As of December 31, 2016, we had a total of \$3.0 billion of outstanding indebtedness, including long-term debt and short-term debt. We also have the ability to incur a substantial amount of additional indebtedness, including up to an additional \$654.9 million under our revolving credit facility.

Currently, our annual cash obligations to service our indebtedness are approximately \$308 million. In addition, the aggregate amount of dividends currently payable on our depository shares is approximately \$37 million on an annual basis. If we are unable to generate sufficient cash to repay or to refinance our debt as it comes due or to pay dividends on our depository shares, this would have a material adverse effect on our business and the market price of our common stock and depository shares. Our leverage could have adverse consequences on our business, including the following:

- we may be required to dedicate a substantial portion of our available cash to payments of principal and interest on our indebtedness;
- our ability to access credit markets on terms we deem acceptable may be impaired; and
- our leverage may limit our flexibility to adjust to changing market conditions.

Servicing debt and funding other obligations requires a significant amount of cash, and our ability to generate sufficient cash depends on many factors, some of which are beyond our control.

Our ability to make payments on and refinance our indebtedness and to fund our operations and capital expenditures depends on our ability to generate cash flow and secure financing in the future. Our ability to generate future cash flow depends, among other things, upon:

- future operating performance;
- general economic conditions;
- competition; and
- legislative and regulatory factors affecting our operations and business.

Some of these factors are beyond our control. There is no assurance that our business will generate cash flow from operations or that future debt or equity financings will be available to us to enable us to pay our indebtedness or to fund other needs. As a result, we may need to refinance all or a portion of our indebtedness on or before maturity. There is no assurance that we will be able to refinance any of our indebtedness on favorable terms, or at all. Any inability to generate sufficient cash flow or refinance our indebtedness on favorable terms could have an adverse effect on our financial condition.

Restrictions in our private placement notes, the Term Loan Credit Facility and the Revolving Credit Facility could adversely affect our business, financial condition, results of operations, ability to make distributions and value of our securities.

The terms of our private placement notes require that we comply with certain covenants and will include events of default and other terms similar to those in certain of our existing private placement notes. Each of the Term Loan Credit Facility and Revolving Credit Facility also contains customary affirmative covenants, including, among others, covenants pertaining to the delivery of financial statements; notices of default and certain other material events; payment of obligations; preservation of corporate existence, rights, privileges, permits, licenses, franchises

and intellectual property; maintenance of property and insurance and compliance with laws, as well as customary negative covenants for facilities of this type, including, among others, limitations on the incurrence of liens, investments and indebtedness; mergers and certain other fundamental changes; dispositions of assets; restricted payments; changes in our line of business; transactions with affiliates and burdensome agreements. Each facility contains a financial covenant requiring maintenance of a minimum consolidated interest coverage ratio of 3.00 to 1.00 as of the end of any quarter and a financial covenant requiring maintenance of a maximum consolidated leverage ratio of between 3.75 and 4.00 to 1.00, depending on factors determined in accordance with the terms of the applicable facility. These covenants could affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities as they arise.

Our ability to comply with the covenants and restrictions contained in the private placement notes, the Term Loan Credit Facility and the Revolving Credit Facility may be affected by events beyond our control, including prevailing economic, financial, and industry conditions. If market or other economic conditions deteriorate, our ability to comply with these covenants may be impaired. A failure to comply with these provisions could result in a default or an event of default. Upon an event of default, unless waived, the lenders could elect to terminate its commitments, cease making further loans, require cash collateralization of letters of credit, cause its loans to become due and payable in full and force us and our subsidiaries into bankruptcy or liquidation. If the payment of our debt is accelerated, our assets may be insufficient to repay such debt in full, and the holders of our units could experience a partial or total loss of their investment.

We will incur integration costs in connection with our acquisition strategy.

Our business strategy includes growth through acquisition. Each acquisition includes a detailed execution plan to integrate the acquired operations into Stericycle's existing infrastructure to achieve synergies. We expect to incur costs to implement such cost savings measures. We anticipate that we will incur certain non-recurring charges in connection with this integration, including costs and charges associated with integrating operations, processes and systems. We cannot identify the timing, nature and amount of all such charges. The significant acquisition-related integration costs could adversely affect our results of operations in the period in which such charges are recorded or our cash flow in the period in which any related costs are actually paid. We believe that synergies will come from the elimination of duplicative costs such as selling, general and administrative expenses, as well as the realization of other efficiencies related to the integration of the businesses such as the optimization of logistics, truck and plant utilization, improvements in route density and facility optimization, and contact center efficiencies. We also believe such synergies will offset incremental acquisition-related costs over time, but this net benefit may not be achieved in the near term, or at all.

We may not realize the synergies and growth opportunities that are anticipated from acquisitions.

The benefits we expect to achieve as a result of acquisitions that we complete will depend, in part, on our ability to realize targeted synergies and anticipated growth opportunities. Our success in realizing these synergies and growth opportunities, and the timing of this realization, depends on the successful integration of other business and operations with our pre-existing business and operations. Even if we are able to integrate these businesses and operations successfully, this integration may not result in the realization of the full benefits of the synergies and growth opportunities we currently expect within the anticipated time frame or at all. While we anticipate that certain expenses will be incurred, such expenses.

We may incur significant charges as a result of our portfolio optimization strategy.

As part of our long-term strategy for improving our profitability and return on invested capital, we continue to evaluate the performance of our entire portfolio of assets and businesses. Based on this evaluation, we may sell certain assets or businesses or exit particular markets. Any divestitures resulting from this strategy may cause us to record significant write-offs, including those related to goodwill and other intangible assets. In addition, divestitures we complete may not yield the targeted improvements in our business. Any charges that we are required to record or the failure to achieve the intended financial results associated with our portfolio

optimization strategy could have a material adverse effect on our business, financial condition or results of operations.

If we are unable to acquire regulated waste, secure information destruction and other businesses, our revenue and profit growth may be slowed.

Historically, our growth strategy has been based in part on our ability to acquire and integrate other businesses. We do not know whether in the future we will be able to:

- identify suitable businesses to buy;
- complete the purchase of those businesses on terms acceptable to us; and
- avoid or overcome any concerns expressed by regulators.

We compete with other potential buyers for the acquisition of regulated waste and secure information destruction companies and other businesses. This competition may result in fewer opportunities to purchase companies that are for sale. It may also result in higher purchase prices for the businesses that we want to purchase.

We also do not know whether our growth strategy will continue to be effective. Our business is significantly larger than before, and new acquisitions may not have the incremental benefits that we have obtained in the past.

The implementation of our acquisition strategy could be affected in certain instances by the concerns of federal and state regulators, which could result in our not being able to realize the full synergies or profitability of particular acquisitions.

We may become subject to inquiries and investigations by federal or state antitrust regulators from time to time in the course of completing acquisitions of other regulated waste and secure information destruction businesses. In order to obtain regulatory clearance for a particular acquisition, we could be required to modify certain operating practices of the acquired business or to divest ourselves of one or more assets of the acquired business. Changes in the terms of our acquisitions required by regulators or agreed to by us in order to settle regulatory investigations could impede our acquisition strategy or reduce the anticipated synergies or profitability of our acquisitions. The likelihood and outcome of inquiries and investigations from federal or state regulators in the course of completing acquisitions cannot be predicted.

Changing market conditions in the healthcare industry, including healthcare consolidation and healthcare reform, could drive down our profits and slow our growth.

Within the United States, the healthcare industry is evolving to meet competing demands for increased healthcare coverage of a growing and aging population and economic pressures to reduce healthcare costs. As a result of these dynamics, hospital networks are consolidating physician practices into their networks, independent practices are consolidating together, and all healthcare providers are focused on cutting costs within their businesses. These changes exert downward pricing pressure on services that we provide to healthcare customers which could adversely affect our profitability and growth.

Aggressive pricing by existing competitors and the entrance of new competitors could drive down our profits and slow our growth.

The industries in which we participate are very competitive because of low barriers to entry, among other reasons. This competition has required us in the past to reduce our prices to our customers and may require us to reduce our prices in the future. Substantial price reductions could significantly reduce our earnings.

We face direct competition from a large number of small, local competitors. Because it requires very little financial investment to compete in the collection and transportation of regulated wastes or the secure destruction of

personal and confidential information, there are many regional and local companies in these industries. We face competition from these businesses, and competition from them is likely to exist in new locations to which we may expand in the future. In addition, large national companies with substantial resources operate in the markets we serve. For example, in the United States, Waste Management, Inc., Clean Harbors, and Iron Mountain all offer competing services.

Our competitors could take actions that would hurt our growth strategy, including the support of regulations that could delay or prevent us from obtaining or keeping permits. They might also give financial support to citizens' groups that oppose our plans to locate a processing or transfer facility at a particular location.

Risks from our international operations could adversely affect our business, financial condition and results of operations.

We have established operations in the United States and 21 other countries. Foreign operations carry special risks including:

- exchange rate and interest rate fluctuations;
- dependence in certain markets on government entities as customers;
- delays in the collection of accounts receivable;
- government controls;
- import and export license requirements;
- political or economic instability;
- changes in or violations of U.S., local or other applicable laws and regulations, including laws and regulations concerning anticorruption, competition, privacy and data protection;
- trade restrictions;
- changes in tariffs and taxes;
- industry or macro-economic trends;
- permitting and regulatory standards;
- differences in local laws, regulations, practices, and business customs;
- restrictions on repatriating foreign profits back to the United States or movement of funds to other countries;
- difficulties in staffing and managing international operations; and
- increases and volatility in labor costs.

Any of the foregoing or other factors associated with doing business abroad could adversely affect our business, financial condition and results of operations.

We face risks associated with project work and services that are provided on a non-recurring basis.

While the majority of our business is based on long-term contracts for regularly scheduled service, we do have a portion of revenue which is derived from short-term projects or services that we provide on a non-recurring basis. Product recall and retrieval events, one-time purge events for secure information destruction, and certain hazardous waste services that we provide on a project or non-recurring basis are not predictable in terms of frequency, size or duration. Our customers' need for these services could be influenced by regulatory changes, fluctuations in commodity market performance, natural disasters and acts of God, or other factors beyond our control. Variability in the demand for these services could adversely affect our business, financial condition and results of operations.

Fluctuations in the commodity market related to the demand and price for recycled paper may affect our business, financial condition and results of operations.

We sell nearly all of the shredded paper from our secure information destruction business to paper companies and recycled paper brokers. Sorted office paper is marketed as a commodity and is subject to significant demand and price fluctuations beyond our control. Historically, economic and market shifts, fluctuations in capacity and changes in foreign currency exchange rates have created cyclical changes in prices, sales volume and margins for pulp and paper products. The length and magnitude of industry cycles have varied over time and by product, but generally reflect changes in macroeconomic conditions and levels of industry capacity. The overall levels of demand for the pulp and paper products, and consequently its sales and profitability, reflect fluctuations in levels of end-user demand, which depend in part on general macroeconomic conditions in North America and worldwide, as well as the threat of digitization. As a result, the market demand for recycled paper can be volatile due to factors beyond our control. Lack of demand for our shredded paper material could adversely affect our business, financial condition and results of operations.

Our earnings could decline resulting in charges to impair intangible assets, such as goodwill.

As a result of our various acquisitions, the Consolidated Balance Sheet at December 31, 2016 contains goodwill of \$3.59 billion and other intangible assets, net of accumulated amortization of \$1.86 billion. In accordance with the FASB Accounting Standards Codification Topic 350, *Intangibles - Goodwill and Other*, we evaluate on an ongoing basis whether facts and circumstances indicate any impairment to the value of indefinite-lived intangible assets such as goodwill. As circumstances after an acquisition can change, we may not realize the value of these intangible assets. If we were to determine that a significant impairment has occurred, we would be required to incur non-cash charges for the impaired portion of goodwill or other unamortized intangible assets, which could have a material adverse effect on our results of operations in the period in which the impairment charge occurs.

We are subject to a number of pending lawsuits.

We are a defendant in a number of pending lawsuits and may be named as a defendant in future lawsuits. These current and future matters may result in significant liabilities and diversion of our management's time, attention and resources. Given the uncertain nature of litigation generally, we are not able in all cases to estimate the amount or range of loss that could result from an unfavorable outcome in these matters. In view of these uncertainties, the outcome of these matters may result in charges in excess of any established reserves and, to the extent available, liability insurance. Protracted litigation, including any adverse outcomes, may have an adverse impact on our business, financial condition or results of operations. In addition, any significant judgment or settlement amount may require us to incur additional indebtedness, adversely affect our liquidity and ability to service our indebtedness, or require us to restructure or amend the terms of our indebtedness. See Note 17 in Item 8 of this Annual Report on Form 10-K for more information regarding currently pending legal proceedings.

The loss of our senior executives could affect our ability to manage our business profitably.

We depend on a small number of senior executives. Our future success will depend upon, among other things, our ability to keep these executives and to hire other highly qualified employees at all levels. We compete with other potential employers for employees, and we may not be successful in hiring and keeping the executives and other employees that we need. We do not have written employment agreements with any of our executive officers, and

officers and other key employees could leave us with little or no prior notice, either individually or as part of a group. Our loss of, or inability to hire, key employees could impair our ability to manage our business and direct its growth.

We face risks relating to our size and scale.

We have more than 750 facilities and 25,000 employees worldwide. The sheer size of our operations exposes us to the risk that systems and practices will not be implemented uniformly throughout our Company and that information will not be shared across the locations and countries in a timely and appropriate manner. Any misalignment in strategic initiatives and/or difficulties or delays in transmission of information could adversely affect our business, financial condition and results of operations.

The handling and treatment of regulated waste carries with it the risk of personal injury to employees and others.

Our business requires us to handle materials that may be infectious or hazardous to life and property in other ways. While we try to handle such materials with care and in accordance with accepted and safe methods, the possibility of accidents, leaks, spills, and acts of God always exists.

Examples of possible exposure to such materials include:

- truck accidents;
- damaged or leaking containers;
- improper storage of regulated waste by customers;
- improper placement by customers of materials into the waste stream that we are not authorized or able to process, such as certain body parts and tissues; or
- malfunctioning treatment plant equipment.

Human beings, animals or property could be injured, sickened or damaged by exposure to regulated waste. This in turn could result in lawsuits in which we are found liable for such injuries, and substantial damages could be awarded against us.

While we carry liability insurance intended to cover these contingencies, particular instances may occur that are not insured against or that are inadequately insured against. An uninsured or underinsured loss could be substantial and could impair our profitability and reduce our liquidity.

The handling of regulated waste exposes us to the risk of environmental liabilities, which may not be covered by insurance.

As a company engaged in regulated waste management, we face risks of liability for environmental contamination. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") and similar state laws impose strict liability on current or former owners and operators of facilities that release hazardous substances into the environment as well as on the businesses that generate those substances and the businesses that transport them to the facilities. Responsible parties may be liable for substantial investigation and clean-up costs even if they operated their businesses properly and complied with applicable federal and state laws and regulations. Liability under CERCLA may be joint and several, which means that if we were found to be a business with responsibility for a particular CERCLA site, we could be required to pay the entire cost of the investigation and clean-up even though we were not the party responsible for the release of the hazardous substance and even though other companies might also be liable.

Our pollution liability insurance excludes liabilities under CERCLA. Thus, if we were to incur liability under CERCLA and if we could not identify other parties responsible under the law whom we are able to compel to contribute to our expenses, the cost to us could be substantial and could impair our profitability and reduce our liquidity. Our customer service agreements make clear that the customer is responsible for making sure that only appropriate materials are disposed of. If there were a claim against us that a customer might be legally liable for, we might not be successful in recovering our damages from the customer.

The handling of secure information for destruction exposes us to potential data security risks that could result in monetary damages against us and could otherwise damage our reputation, and adversely affect our business, financial condition and results of operations.

The protection of customer, employee, and company data is critical to our business. The regulatory environment in the United States and Canada surrounding information security and privacy is increasingly demanding, with the frequent imposition of new and constantly changing requirements. Certain legislation, including the FACTA, the HIPAA, the Economic Espionage Act in the United States, and the Personal Information Protection and Electronic Documents Act in Canada, require documents to be securely destroyed to avoid identity theft and inadvertent leakage of confidential and sensitive information. A significant breach of customer, employee, or company data could attract a substantial amount of media attention, damage our customer relationships and reputation, and result in lost sales, fines, or lawsuits. In addition, an increasing number of countries have introduced and/or increased enforcement of comprehensive privacy laws or are expected to do so. The continued emphasis on information security as well as increasing concerns about government surveillance may lead customers to request us to take additional measures to enhance security and/or assume higher liability under our contracts. As a result of legislative initiatives and customer demands, we may have to modify our operations to further improve data security. Any such modifications may result in increased expenses and operational complexity, and adversely affect our business financial condition and results of operations.

Attacks on our information technology systems could damage our reputation, harm our businesses and adversely affect our results of operations.

Our reputation for the secure handling of customer and other sensitive information is critical to the success of our business. We rely heavily on various proprietary and third party information systems. Although we have implemented safeguards and taken steps to prevent potential security breaches, our information technology and network infrastructure may be vulnerable to attacks by hackers or breaches due to employee error, malfeasance, cyber-attacks, computer viruses, power outages, natural disasters, acts of terrorism or other disruptions. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a target, we may be unable to prevent these techniques or to implement adequate preventative measures. A successful breach of the security of our information systems could lead to theft or misuse of our customers' proprietary or confidential information and result in third party claims against us and reputational harm, all of which could adversely affect our businesses, financial condition or results of operations.

Our management depends on relevant and reliable information for decision making purposes, including key performance indicators and financial reporting. A lack of relevant and reliable information could preclude us from optimizing our overall performance. Any significant loss of data, failure to maintain reliable data, disruptions affecting our information systems, or delays or difficulties in transitioning to new systems could adversely affect our business, financial condition and results of operations. In addition, our ability to continue to operate our businesses without significant interruption in the event of a disaster or other disruption depends in part on the ability of our information systems to operate in accordance with our disaster recovery and business continuity plans. If our information systems fail and our redundant systems or disaster recovery plans are not adequate to address such failures, or if our business interruption insurance does not sufficiently compensate us for any losses that we may incur, our revenues and profits could be reduced and the reputation of our brands and our business could be adversely affected. In addition, remediation of such problems could result in significant, unplanned capital investments.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We lease office space for our corporate offices in Lake Forest, Illinois. Domestically, we own or lease 111 processing facilities, which are primarily autoclaves for medical waste and shredders for secure information destruction. All of our processing facilities also serve as collection sites. We own or lease 209 additional transfer sites, 18 additional sales/administrative sites, and 59 other service facilities. Internationally, we own or lease 141 processing facilities, the majority of which use autoclave waste processing technology. We also own or lease 131 additional transfer sites, 50 additional sales/administrative sites, 43 other service facilities, and 3 landfills. We believe that these processing and other facilities are adequate for our present and anticipated future needs.

Item 3. Legal Proceedings

See Note 17 - Legal Proceedings in the Notes to the Consolidated Financial Statements (Item 8 of Part II).

Item 4. Mine Safety Disclosures

Not Applicable.

PART II

Item 5. Market Price for the Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities

The Company's common stock is listed on the NASDAQ Global Select Market under the ticker symbol "SRCL." There were 98 shareholders of record as of March 1, 2017.

We did not declare or pay any cash dividends during 2016 on our common stock. We currently expect that we will retain future earnings for use in the operation and expansion of our business and do not anticipate paying any cash dividends in the foreseeable future.

See Item 7 of Part II, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

The following table provides the high and low sales prices of our Common Stock for each calendar quarter during our two most recent fiscal years:

Quarter	High	Low
First quarter 2016	\$ 126.19	\$ 105.99
Second quarter 2016	128.20	93.27
Third quarter 2016	107.25	77.01
Fourth quarter 2016	80.09	71.61
First quarter 2015	\$ 140.86	\$ 130.10
Second quarter 2015	141.93	132.76
Third quarter 2015	148.26	132.33
Fourth quarter 2015	150.84	113.64

Under resolutions that our Board of Directors adopted, we have been authorized to purchase a cumulative total of 24,621,640 shares of our common stock on the open market. As of December 31, 2016, we had purchased a cumulative total of 21,251,733 shares.

The following table provides information about our purchases of shares of our common stock during the year ended December 31, 2016:

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
January 1 - January 31, 2016	277,952	\$ 116.24	277,952	3,452,869
February 1 - February 28, 2016	50,000	107.69	50,000	3,402,869
March 1 - March 31, 2016	—	—	—	3,402,869
April 1 - April 30, 2016	14,387	94.75	14,387	3,388,482
May 1 - May 31, 2016	18,575	94.68	18,575	3,369,907
Total	360,914	\$ 113.09	360,914	3,369,907

Equity Compensation Plans

The following table summarizes information as of December 31, 2016 relating to our equity compensation plans pursuant to which stock option grants, restricted stock units ("RSUs") or other rights to acquire shares of our common stock may be made or issued:

Equity Compensation Plan Information

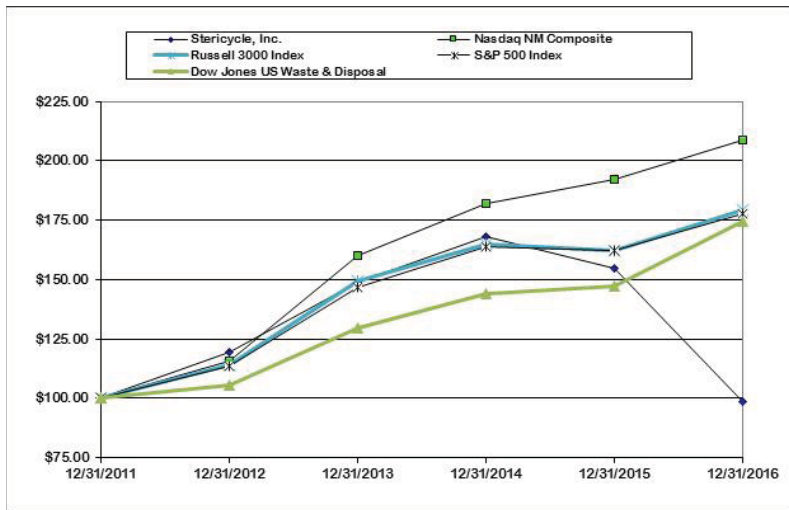
Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options and Vesting of RSUs (a)	Weighted-Average Exercise Price of Outstanding Options (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by our security holders (1)	5,579,925	\$ 97.14	2,524,588
Equity compensation plans not approved by our security holders (2)	3,645	\$ 49.74	—

- (1) These plans consist of our 2014 Incentive Compensation Plan, 2011 Incentive Compensation Plan, 2008 Incentive Stock Plan, 2005 Incentive Stock Plan, and the Employee Stock Purchase Plan.
- (2) The only plan in this category is our 2000 Non-statutory Stock Option Plan. In 2000, our Board of Directors approved the 2000 Non-statutory Stock Option Plan (the "2000 Plan"), which authorized the granting of non-statutory stock options for 7,000,000 shares of our common stock to employees (but not to officers or directors). See Note 6 - Stock Based Compensation in the Notes to the Consolidated Financial Statements (Item 8 of Part II) for a description of this plan.

Performance Graph

The following graph compares the cumulative total return (i.e., share price appreciation plus dividends) on our common stock over the five-year period ending December 31, 2016 with the cumulative total return for the same period on the NASDAQ National Market Composite Index, the S&P 500 Index, the Russell 3000 Index, and the Dow Jones US Waste & Disposal index. The graph assumes that \$100 was invested on December 31, 2011 in our common stock and in the shares represented by each of the four indices, and that all dividends were reinvested.

The stock price performance of our common stock reflected in the following graph is not necessarily indicative of future performance.



Item 6. Selected Financial Data

In thousands, except per share data

	Years Ended December 31,				
	2016	2015	2014	2013	2012
Statements of Income Data					
Revenues	\$ 3,562,342	\$ 2,985,908	\$ 2,555,601	\$ 2,142,807	\$ 1,913,149
Depreciation and amortization	252,546	127,412	104,616	88,408	76,283
Income from operations	433,775	487,612	556,336	535,619	468,836
Mandatory convertible preferred stock dividend	39,414	10,106	—	—	—
Gain on repurchase of preferred stock	(11,285)	—	—	—	—
Net income attributable to Stericycle, Inc. common shareholders	(1) 178,230	256,940	326,456	311,372	267,996
Earnings per common share attributable to Stericycle, Inc. common shareholders - diluted	(1) \$ 2.08	\$ 2.98	\$ 3.79	\$ 3.56	\$ 3.08
Statements of Cash Flow Data					
Net cash flow provided by/(used for):					
Operating activities	\$ 547,249	\$ 390,328	\$ 448,500	\$ 405,307	\$ 390,784
Investing activities	(195,606)	(2,533,904)	(462,774)	(234,972)	(288,928)
Financing activities	(363,255)	2,181,208	(30,049)	(136,019)	(91,526)
Balance Sheets Data					
Cash, cash equivalents and short-term investments	\$ 44,251	\$ 55,703	\$ 22,616	\$ 67,580	\$ 35,163
Total assets	(2) 6,980,061	7,065,163	4,373,302	3,887,973	3,550,074
Long-term debt, net	(2) 2,877,315	3,040,352	1,527,246	1,280,663	1,268,303
Stericycle, Inc. equity	\$ 2,805,737	\$ 2,729,891	\$ 1,895,012	\$ 1,750,461	\$ 1,541,793

(1) See Note 8 - Earnings per Common Share ("EPS") in the Notes to the Consolidated Financial Statements (Item 8 of Part II) for information concerning the computation of diluted EPS.

- In 2016, net income included the following after-tax effects: \$83.5 million of amortization expenses, \$6.3 million of expenses related to acquisitions, \$55.2 million of expenses related to the integration of our acquisitions, \$3.2 million of restructuring and plant conversion expenses, \$7.9 million of litigation and professional services expenses, \$17.9 million of expenses related to exit certain of our patient transport services contracts in the United Kingdom ("UK"), \$26.2 million of asset impairment charges, a \$3.1 million gain as a result of insurance settlement, and a \$2.0 million gain related to the change in fair value of contingent consideration. The net effect of these adjusting items negatively impacted diluted EPS by \$2.28.
- In 2015, net income included the following after-tax effects: \$29.8 million of amortization expenses, \$29.0 million of expenses related to acquisitions, \$33.3 million of expenses related to the integration of our acquisitions, \$15.9 million of restructuring and plant conversion expenses, \$39.8 million of litigation settlement expense, \$1.8 million of expense related to the write-down of intangible assets, and a \$0.6 million gain related to the change in fair value of contingent consideration. The net effect of these adjusting items negatively impacted diluted EPS by \$1.73.
- In 2014, net income included the following after-tax effects: \$12.5 million of expenses related to acquisitions, \$16.8 million of expenses related to the integration of our acquisitions, \$10.1 million of plant conversion and restructuring expenses, \$4.0 million of expense related to litigation expenses, and a \$1.5 million gain related to the change in fair value of contingent consideration. The net effect of these adjusting items negatively impacted diluted EPS by \$0.48.
- In 2013, net income included the following after-tax effects: \$10.2 million of expenses related to acquisitions, \$4.3 million of expenses related to the integration of our acquisitions, \$1.8 million of restructuring and plant closure costs, \$1.4 million of expense related to a litigation settlement, \$1.3 million of expense related to the

write-down of intangible assets, and a \$2.2 million gain related to the change in fair value of contingent consideration. The net effect of these adjusting items negatively impacted diluted EPS by \$0.19.

- In 2012, net income included the following after-tax effects: \$7.8 million of expenses related to acquisitions, \$3.1 million of expenses related to the integration of our acquisitions, \$3.3 million of restructuring and plant closure costs, \$3.7 million related to litigation settlement expense, \$3.7 million loss related to the U.K. divestiture, and \$0.8 million loss related to the change in fair value of contingent consideration. The net effect of these adjusting items negatively impacted diluted EPS by \$0.26.
- (2) To conform to the current period balance sheet presentation, we reclassified \$12.3 million of debt issuance costs from other assets to long-term debt on the Consolidated Balance Sheet at December 31, 2015. No changes in presentation were made at December 31, 2014, 2013 and 2012.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of our financial condition and results of operations should be read in conjunction with our Consolidated Financial Statements and related notes in Item 8 of this Report.

Introduction

We are a business-to-business services provider with a focus on regulated and compliance solutions for healthcare, retail, and commercial businesses. This includes the collection and processing of regulated and specialized waste for disposal and the collection of personal and confidential information for secure destruction, plus a variety of training, consulting, recall/return, communication, and compliance services. We were incorporated in 1989 and presently serve a diverse customer base of more than 1,000,000 customers throughout the United States, Argentina, Austria, Australia, Belgium, Brazil, Canada, Chile, France, Germany, Ireland, Japan, Luxembourg, Mexico, the Netherlands, Portugal, Romania, Republic of Korea, Singapore, South Africa, Spain, and the United Kingdom.

More specifically, our services and products include:

- Medical waste management services
- Reusable sharps disposal management services
- Pharmaceutical waste services
- Integrated Waste Stream Solutions ("IWSS") program
- Hazardous waste management services
- Sustainability and recycling services for expired or unused inventory
- Secure information destruction and hard drive destruction services
- Compliance programs under the Steri-Safe®, Clinical Services, SeguriMed and EnviroAssure brand names
- Regulated recall and returns management communication, logistics, and data management services for expired, withdrawn or recalled products

- Live voice and automated communication services including afterhours answering, appointment scheduling, appointment reminders, secure messaging, and event registration
- Mailback solutions for regulated medical waste, universal wastes, pharmaceutical wastes, and other specialty wastes

During 2016, we made certain changes to our organizational structure to integrate the domestic and international Shred-it operations. In Q2 2016, we also changed the composition of our operating segments to further align our compliance and communication services. Due to this change, part of our Domestic Regulated Waste and Compliance Services operating segment was combined with the legacy Domestic Regulated Recall and Returns Management Services operating segment to form a new operating segment, Domestic CRS.

In Q4 2016, we made an additional change to our organizational structure and management reporting. As a result of these changes, our Domestic RCS segment manager will now be responsible for the operations in Canada. The operations in Canada had previously been reported as part of the International RCS operating segment. As a result of these changes our Domestic RCS operating segment will now become Domestic and Canada RCS.

Domestic CRS does not meet the quantitative criteria to be a separate reportable segment and therefore is included in All other. Beginning in Q4 2016, costs related to our corporate headquarter functions are also included in All other.

Our three operating segments are:

- Domestic and Canada RCS,
- Domestic CRS, and
- International RCS.

The segment information included herein is presented in accordance with the change in reporting structure for all periods presented.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires that we make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities.

An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the consolidated financial statements. Management believes its critical accounting policies that reflect its more significant estimates and assumptions are as follows:

Revenue Recognition: Revenues for our regulated medical waste management services, other than our compliances services, and secure information destruction services are recognized at the time of waste collection. Our compliance service revenues are recognized evenly over the contractual service period. Payments received in advance are deferred and recognized as services are provided. Revenues from hazardous waste services are recorded at the time waste is received at our processing facility or delivered to a third party. Revenues from regulated recall and returns management services and communication solutions are recorded at the time services are performed. Revenues from product sales are recognized at the time the goods are shipped to the ordering

customer. Charges related to sales taxes and international value added tax ("VAT") and other similar pass through taxes are not included as revenue.

Intangible Asset Valuations: The methods commonly used to value intangible assets we acquire are the income, market and cost approaches. The nature and characteristics of the asset indicate which approach is most appropriate. Based on the analysis performed by the Company, the fair values of intangible assets are generally estimated using acceptable income approaches.

A multi-period excess earnings method ("MPEEM") is generally used to determine the fair value of customer relationships. The fair value is derived by calculating the present value of the estimated after-tax earnings attributable to the respective intangible assets. Key inputs and assumptions to the valuation model are forecasted after-tax cash-flows, the identification of contributory assets and the quantification of appropriate returns on these assets, the discount rate applied to present value the cash-flows and attrition rates. Determining an accurate consumption of benefits from acquired customer relationships cannot be reliably determined because the services we provide to acquired customers change from the base-line revenues over an extended period of time due to factors such as volume increase, price increase, and complementary service offerings. Therefore, we amortize our finite-lived intangible assets using the straight-line method consistent with our valuation model.

A relief from royalty method is generally used to determine the fair value of trade names. Key inputs and assumptions to the valuation model are a reasonable approximation of the license rate for the trade name, forecasted revenues and the discount rate applied to present value the after-tax stream of estimated royalties avoided by acquiring the trade name.

Tangible Asset Valuation: Trucks, containers and equipment are some of the major asset classes subject to revaluation as a result of our acquisitions. The indirect and direct methods of the cost approach and the market approach are used by the Company to value tangible personal property assets. Following is a description of the methodologies for estimating the fair value of the major tangible fixed asset classes:

- The market approach is used for the valuation of trucks. The market approach is based on market conditions and transactions. In the market approach, the assets being valued are compared to recent sales and/or asking prices of comparable properties or assets. In using similar units of comparison, adjustments are made to the comparable assets to account for factors such as condition, capacity, and age.
- The direct method of the cost approach is used in the valuation of containers. In the direct method of the cost approach, replacement cost new ("RCN") is determined through current cost information obtained from original equipment manufacturers, equipment dealers and vendors, and independent research.
- The cost of reproduction new ("CRN") of equipment is calculated using the indirect method of the cost approach. Historical equipment costs and dates are used to calculate the current CRN. In the indirect method of the cost approach, trend factors are applied to the historical costs to estimate the CRN of the assets. Time-adjusted trend factors are applied to historical costs using asset category specific cost indices published by industry sources. The CRN is then adjusted for physical deterioration and functional and economic obsolescence.

Goodwill and Other Identifiable Intangible Assets: We have historically evaluated goodwill for impairment annually as of June 30, or when an indicator of impairment exists. During 2016, we changed the date of our annual goodwill impairment assessment for our reporting units to October 1st. In addition, we changed our annual impairment test date for other indefinite-lived intangibles from December 31 to October 1. This voluntary change in the annual indefinite-lived intangible testing dates is a change in accounting principle, which we believe is preferable as it better aligns the timing of the annual goodwill impairment test with the timing of the Company's annual strategic planning and forecasting process which occurs in Q3. The change in the other indefinite-lived intangible testing date aligns the testing of all indefinite-lived impairment testing to be as of a consistent date. The voluntary change in accounting principle related to the annual testing dates did not delay, accelerate or avoid an

impairment charge. This change is not applied retrospectively as it is impracticable to do so because retrospective application would require application of significant estimates and assumptions with the use of hindsight. Accordingly, the change will be applied prospectively.

As discussed above, we changed the composition of our operating segments in 2016. Due to these changes, part of our Domestic RCS operating segment was combined with the legacy Domestic Regulated Recall and Returns Management Services operating segment to form a new operating segment, Domestic CRS in Q2 2016 and the Domestic RCS is now Domestic and Canada RCS. The operations in Canada had previously been reported as part of the International RCS operating segment.

During Q4, we determined that our former International RCS reporting unit should be disaggregated into three new reporting units for goodwill impairment testing purposes which is one level below the operating segment (referred to as a "component"). In addition, the four components of the Domestic and Canada RCS operating segment will now be the reporting units. This was primarily a result of some of the business and economic challenges we have recently faced in M&I and internationally. As a result of the changes, goodwill from the former International RCS reporting unit was reallocated to the four new reporting units including Canada based on their relative fair values. We completed a similar reallocation of goodwill for the new Domestic and Canada RCS reporting units.

Due to the establishment of the new reporting units during Q4 2016 and the change in our annual goodwill impairment testing date discussed above, we performed a goodwill impairment evaluation for all reporting units as of October 1, 2016. There was no impairment of goodwill because the fair value of those reporting units exceeded their carrying values. We also tested the former reporting units for goodwill impairment immediately prior to the establishment of the new reporting units and there was no impairment of goodwill.

We calculate the fair value of each of our reporting units using the income approach (including discounted cash flows) and validate those results using a market approach. The income approach uses expected future cash flows of each reporting unit and discounts those cash flows to present value. Expected future cash flows are calculated using management assumptions of growth rates, including long-term growth rates, capital expenditures, and cost efficiencies. Future acquisitions are not included in the expected future cash flows. We use a discount rate based on a calculated weighted average cost of capital which is adjusted for each of our reporting units based on size, country and company specific risk premiums.

The market approach compares the valuation multiples of similar companies to that of the associated reporting unit. We then reconciled the calculated fair values to our market capitalization.

The results of our 2016 goodwill impairment test using the market approach corroborated the results of the impairment test under the income approach and indicated the fair value of our reporting units exceeded their respective book values.

We have determined that our permits and certain tradenames have indefinite lives due to our ability to renew them with minimal additional cost, and therefore they are not amortized. The calculated fair value of our indefinite-lived intangibles is based upon, among other things, certain assumptions about expected future operating performance, internal and external processing costs, and an appropriate discount rate determined by management.

Based on our impairment test as of October 1, 2016, we recognized an impairment charge of \$1.4 million within Selling, general and administrative expenses on our Consolidated Statements of Income.

Future changes in our assumptions or the interrelationship of the assumptions described above may negatively impact future valuations. In future measurements of fair value, adverse changes in assumptions could result in impairments of goodwill or other intangible assets that would require non-cash charges and may have a material effect on our financial condition and operating results.

Our finite-lived intangible assets are amortized over their useful lives using the straight-line method. We have determined that our customer relationships have useful lives from 5 to 40 years based upon the type of customer. We have covenants not-to-compete intangibles with useful lives from 5 to 14 years. We have tradename intangibles with useful lives from 10 to 40 years. These assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may be less than its undiscounted estimated future cash flows.

Environmental Remediation Liabilities: Our environmental remediation liabilities primarily include costs associated with remediating air, groundwater, surface water, soil contamination, and applicable legal costs. To estimate our ultimate liability at these sites, we evaluate several factors, including the nature and extent of contamination at each identified site, the required remediation methods, timing of expenditures, and the apportionment of responsibility among the potentially responsible parties ("PRPs") and the financial viability of those parties. We routinely review and evaluate sites that require remediation, considering whether we were an owner, operator, transporter, or generator at the site, that amount and type of waste hauled to the site and the number of years we were connected with the site. Next, we review the same information with respect to other named and unnamed PRPs. Estimates of the cost for the likely remedy are then either developed using our internal resources or by third party environmental engineers or other service providers.

Income Taxes: We are subject to income taxes in both the U.S. and numerous foreign jurisdictions. We compute our provision for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities and for operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates that are expected to apply to taxable income for the years in which those tax assets and liabilities are expected to be realized or settled. Significant judgments are required in order to determine the realizability of these deferred tax assets. In assessing the need for a valuation allowance, we evaluate all significant available positive and negative evidence, including historical operating results, estimates of future taxable income and the existence of prudent and feasible tax planning strategies. Changes in the expectations regarding the realization of deferred tax assets could materially impact income tax expense in future periods. Undistributed earnings of foreign subsidiaries are considered to be permanently reinvested, and therefore no deferred taxes are recorded on our outside basis differences. Tax liabilities are recorded when, in management's judgment, a tax position does not meet the more likely than not threshold for recognition. For tax positions that meet the more likely than not threshold, a tax liability may still be recorded depending on management's assessment of how the tax position will ultimately be settled. The Company records interest and penalties on unrecognized tax benefits in the provision for income taxes.

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Highlights for the year ended December 31, 2016 included the following:

- revenues grew to \$3.56 billion, a 19.3% increase over \$2.99 billion in 2015;
- gross profit as a percentage of revenue decreased to 42.2% in 2016 from 42.4% in 2015;
- operating income decreased 11.0% to \$433.8 million from \$487.6 million in 2015;
- we incurred \$164.5 million in pre-tax expenses related to acquisitions and integration expenses, litigation and professional services expenses, plant conversion expenses, contract exit costs, asset impairment charges, and a favorable change in the fair value of contingent consideration;
- amortization expense increased to \$129.3 million from \$45.5 million in 2015, primarily due to the completion of intangible valuations for our Shred-it acquisition resulting in a true-up of amortization expense;
- cash flows from operations were \$547.2 million; and

- dividends of \$39.4 million were paid during 2016 to holders of our Series A Preferred Stock.

During 2016, we made certain changes to our organizational structure to integrate the domestic and international Shred-it operations into our Domestic Regulated Waste and Compliance Services and International Regulated Waste and Compliance Services operating segments, respectively.

Our Canadian operations were integrated with domestic operations and are now reviewed as a new combined segment. Management determined that Stericycle's Regulated Waste and Compliance Services operating segment changed so that the Canadian and Domestic Regulated Waste and Compliance Services operations form one segment ("Domestic and Canada RCS") and the International Regulated Waste and Compliance Services segment now excludes Canada ("International RCS").

We also changed the composition of our operating segments to further align our compliance and communication services. Due to this change, part of our Domestic Regulated Waste and Compliance Services operating segment was combined with the legacy Domestic Regulated Recall and Returns Management Services operating segment to form a new operating segment, Domestic Communication and Related Services does not meet the quantitative criteria to be a separate reportable segment and therefore is included in All other. Additionally, costs related to other business activities, primarily corporate headquarter functions, are disclosed separately from the operating segments and is also included in All other.

Our sales organization was realigned to focus on growing our healthcare customer base, expanding national account relationships, converting the un-vended secure information destruction market and expanding our multiple services across new and existing customers.

We also established one field operations management organization for our regulated waste, compliance services and secure information destruction services. By having these operations aligned under one leadership team, we will drive best practices across the organization and provide best-in-class service to our customers. This will also enable us to drive long-term efficiencies and margin improvement. In addition, we have combined our recall and communication solutions services under one operating segment. Since a large portion of our recall services is call center related, we have consolidated the operations, sales and marketing and client service functions under one leadership team.

Finally, we are developing a long-term plan to expand our shared services model across all of our services. Some of these shared services include IT, financial support, human resources and strategic sourcing. When fully implemented, this plan will enable us to better leverage best practices and SG&A. We believe this will allow us to better serve our customers and provide long-term sustainable growth.

The following summarizes the Company's operations:

In thousands, except per share data

	Years Ended December 31,			
	2016		2015	
	\$	%	\$	%
Revenues	\$ 3,562,342	100.0	\$ 2,985,908	100.0
Cost of revenues	1,962,801	55.1	1,656,573	55.5
Depreciation - cost of revenues	88,546	2.5	61,642	2.1
Contract exit costs	8,281	0.2	—	0.0
Plant conversion expenses	760	0.0	1,508	0.1
Total cost of revenues	2,060,388	57.8	1,719,723	57.6
Gross profit	1,501,954	42.2	1,266,185	42.4
Selling, general and administrative expenses (exclusive of adjusting items shown below)	748,671	21.0	539,944	18.1
Acquisition expenses	9,646	0.3	39,138	1.3
Integration expenses	87,587	2.5	51,689	1.7
Litigation and professional services expenses	12,904	0.4	59,651	2.0
Change in fair value of contingent consideration	(2,051)	(0.1)	(640)	—
Restructuring and plant conversion expenses	3,226	0.1	21,240	0.7
Contract exit costs	15,724	0.4	—	0.0
Asset impairment charges	28,472	0.8	1,781	0.1
Total SG&A expenses (exclusive of depreciation and amortization shown below)	904,179	25.4	712,803	23.9
Depreciation	34,700	1.0	20,272	0.7
Amortization	129,300	3.6	45,498	1.5
Income from operations	433,775	12.2	487,612	16.3
Net interest expense	97,709	2.7	77,274	2.6
Other (income)/expense, net	7,921	0.2	(569)	—
Income tax expense	120,246	3.4	142,894	4.8
Net income	207,899	5.8	268,013	9.0
Less: net income attributable to noncontrolling interests	1,540	—	967	—
Net income attributable to Stericycle, Inc.	206,359	5.8	267,046	8.9
Mandatory convertible preferred stock dividend	39,414	1.1	10,106	0.3
Gain on repurchase of preferred stock	(11,285)	(0.3)	—	0.0
Net income attributable to Stericycle, Inc. common shareholders	\$ 178,230	5.0	\$ 256,940	8.6
Earnings per share- diluted	\$ 2.08		\$ 2.98	

Revenues: In analyzing our Company's performance, it is necessary to understand that our various regulated services share a common infrastructure and customer base. We market our regulated and compliance services by offering various pricing options to meet our customers' preferences, and customers move between these different billing paradigms. For example, our customers may contract with us for "Medical Waste Disposal" services that are billed based on the weight of waste collected, processed and disposed during a particular period, and in a subsequent period, the same customer could move to our standard service ("Steri-Safe OSHA Compliance Program"), which packages the same regulated medical waste services with some training and education services for a contracted subscription fee. Another example is a customer that purchases our "Medical Waste Disposal" and "Sharps Disposal Management" services which provides the customer with the same regulated services under a different pricing and billing arrangement. We do not track the movement of customers between the various types of regulated services we offer. Although we can identify directional trends in our services, because the regulated services are similar in nature and there are inherent inaccuracies in disaggregation, we believe that aggregating these revenues communicates the appropriate metric. We analyze our revenue growth by identifying changes related to organic growth, acquired growth, and changes due to currency exchange fluctuations.

Our consolidated revenues increased \$576.4 million, or 19.3%, to \$3.56 billion from \$2.99 billion in 2015. Overall organic revenue growth contributed \$94.6 million, or 3.2% in revenues. Organic growth excludes the effect of foreign exchange and acquisitions and divestitures with less than a full year of revenues in the comparative period. Revenues from acquisitions contributed \$570.1 million to the increase in revenues in 2016. Divestitures negatively

impacted current year revenues by \$0.2 million. The effect of foreign exchange rates unfavorably impacted total revenues in 2016 by \$88.0 million, or 2.9%, as foreign currencies declined against the U.S. dollar.

Domestic and Canada Regulated Waste and Compliance Services ("Domestic and Canada RCS") revenues increased \$509.7 million, or 25.5%, to \$2.51 billion from \$2.00 billion in 2015. Acquisitions contributed \$476.1 million, and organic growth contributed \$35.8 million, or 1.8% in revenues. The Canadian dollar weakened and negatively affected 2016 revenue by \$2.3 million. Services related to Manufacturing and Industrial ("M&I") waste experienced a reduction of \$15.0 million negatively impacting overall organic growth by 1.7%. This reduction was due to fewer on call services (project work) and softness in the U.S. M&I market. In addition, we have experienced pricing pressure on our small quantity regulated waste and compliance customers resulting from hospital consolidation of physician practices and increased competitive activities in the market.

International Regulated Waste and Compliance Services ("International RCS") revenues increased \$34.9 million, or 4.9%, to \$751.7 million from \$716.8 million in 2015. Organic growth, currency rate fluctuations and acquisitions impact the comparison of 2016 and 2015. Organic growth in the International RCS segment contributed \$33.1 million in revenues, or 4.6%. The costs we incurred to exit certain of our patient transport services contracts in the UK negatively impacted our organic growth in 2016. Organic growth excludes the effect of foreign exchange and acquisitions and divestitures with less than a full year of revenues in the comparative period. The effect of foreign exchange rates unfavorably impacted international revenues in 2016 by \$85.7 million, or 12.0%, as foreign currencies declined against the U.S. dollar. Revenue from international acquisitions contributed \$87.8 million to the increase in revenues in 2016. Divestitures negatively impacted current year revenues by \$0.2 million.

Other revenues related to Domestic Communication and Related Services increased \$31.9 million, or 11.8%, to \$301.8 million from \$269.9 million in 2015, primarily driven by a significant recall event in Q4 2016.

Cost of Revenues: Our consolidated 2016 cost of revenues increased \$340.7 million, or 19.8%, to \$2.06 billion from \$1.72 billion in 2015. As a percentage of revenues, consolidated gross profit was 42.2% in 2016 as compared to 42.4% in 2015. We incurred \$0.8 million and \$1.5 million in plant conversion expenses during the years ended December 31, 2016 and 2015, respectively. In 2016, we also incurred \$8.3 million in costs to exit certain of our patient transport services contracts in the UK. In general, international gross profit is lower than domestic gross profits because the international operations have fewer small account customers, which tend to provide higher gross profits. Historically, our international operations generate most of their revenues from large account customers, such as hospitals. As our international revenues increase as a percentage of consolidated revenues, consolidated gross profit experiences downward pressure due to this "business mix" shift, which may be offset by additional international small account market penetration, integration savings, and domestic business expansion.

Domestic and Canada RCS cost of revenues increased \$297.1 million, or 27.3%, to \$1.38 billion from \$1.09 billion in 2015. Gross profit as a percentage of revenues decreased to 44.8% in 2016 from 45.6% in 2015 primarily due to less than anticipated revenues from our M&I customers, which have a higher fixed cost structure. Additionally, higher disposal costs for some of our industrial waste project work in the year unfavorably impacted domestic gross profit.

International RCS cost of revenues increased \$36.7 million, or 7.6%, to \$523.2 million from \$486.4 million in 2015. International gross profit as a percentage of revenues decreased to 30.4% in 2016 from 32.1% in 2015 due to the negative impact of higher costs related to servicing certain government contracts and charges incurred to exit some of the contracts in our UK patient transport services business, partially offset by the inclusion of the 2015 Shred-it acquisition, which has a higher average gross profit. In addition, our international gross profit was negatively impacted by the inability to pass full costs on to customers in areas of high inflation.

Selling, General and Administrative Expenses Exclusive of Adjusting Items, Depreciation and Amortization ("SG&A"): Our consolidated SG&A expenses increased \$208.7 million, or 38.7%, to \$748.7 million from \$539.9 million in 2015 to support our increase in revenues and the inclusion of the 2015 Shred-it acquisition. During the Q4 2016, we increased our allowance for doubtful accounts due to market and economic conditions as we continued to experience challenges internationally and in our M&I waste services.

Domestic and Canada RCS SG&A expenses increased \$147.3 million, or 53.7%, to \$421.4 million from \$274.2 million in 2015 primarily related to the inclusion of the 2015 Shred-it acquisition, increased compensation and marketing expenses, and an increase in our allowance for doubtful accounts based on our historical collection experience. As a percentage of revenues, SG&A increased to 16.8% in 2016 as compared to 13.7% in 2015.

International RCS SG&A expenses increased \$34.7 million, or 25.0%, to \$173.4 million from \$138.7 million in 2015. As a percentage of revenues, SG&A increased to 23.1% in 2016 as compared to 19.3% in 2015. The following factors negatively impacted our international SG&A during 2016: the inclusion of the 2015 Shred-it acquisition, increased compensation expense in support of new business growth opportunities, and an increase in our allowance for doubtful accounts driven by market and economic conditions as we continued to experience challenges in International RCS.

Income from Operations: Consolidated income from operations decreased by \$53.8 million, or 11.0%, to \$433.8 million from \$487.6 million in 2015. Comparison of income from operations between 2016 and 2015 was affected by the Adjusting Items described below.

During the year ended December 31, 2016, we recognized \$9.6 million in acquisition expenses, \$87.6 million of expenses related to the integration of our acquisitions, mainly Shred-it, \$12.9 million in litigation and professional services expenses, \$4.0 million in plant conversion expense, \$24.0 million of costs to exit certain of our patient transport services contracts in the UK, \$28.5 million of asset impairment charges mostly from write-down of certain assets in the UK either sold for a loss or classified as assets held for sale as of December 31, 2016, and a \$2.1 million favorable change in fair value of contingent consideration.

During the year ended December 31, 2015, we recognized \$39.1 million in acquisition expenses, most of which related to the acquisition of Shred-it, \$51.7 million of expenses related to the integration of our acquisitions, \$59.7 million in litigation expenses (mostly due to the \$28.5 million settlement of the Qui Tam Action and the \$28.2 million settlement of the Junk Fax Lawsuit), \$22.7 million in restructuring and plant conversion expenses, \$1.8 million of intangible asset impairment, and a \$0.6 million favorable change in the fair value of contingent consideration.

Consolidated depreciation and amortization expense increased to \$252.5 million in 2016 compared to \$127.4 million in 2015, primarily due to the inclusion of the Shred-it acquisition, which has a higher level of depreciation expense, and to the completion of the customer relationships intangible valuation related to the Shred-it acquisition resulting in a true-up of amortization expense. As a percentage of revenue, depreciation and amortization expense increased to 7.1% as compared to 4.3% in 2015.

Domestic and Canada RCS income from operations increased \$31.9 million, or 6.3%, to \$536.6 million from \$504.7 million in 2015.

During the year ended December 31, 2016, we recognized \$56.0 million in acquisition, integration, and plant conversion expenses.

During the year ended December 31, 2015, we recognized \$104.0 million in acquisition, integration, restructuring, litigation expense, and intangible asset impairment charges.

Domestic and Canada RCS depreciation and amortization expense increased to \$169.4 million in 2016 compared to \$65.8 million in 2015, primarily due to the inclusion of the Shred-it acquisition, which has a higher level of depreciation expense, and to the completion of the customer relationships intangible valuation related to the Shred-it acquisition resulting in a true-up of amortization expense. As a percentage of revenue, depreciation and amortization expense increased to 6.8% as compared to 3.3% in 2015.

International RCS income from operations decreased \$77.2 million to \$28.0 million loss from \$49.2 million income in 2015.

During the year ended December 31, 2016, we recognized \$51.2 million in acquisition, integration, plant conversion expenses, costs to exit certain of our UK patient transport services contracts, asset impairments charges mostly from the write-down of certain assets in the UK either sold for a loss or classified as assets held for sale as of December 31, 2016, and a favorable change in the fair value of contingent consideration.

During the year ended December 31, 2015, we recognized \$23.4 million in acquisition, integration, restructuring and plant conversion expenses, a favorable adjustment to litigation expenses, and a favorable change in the fair value of contingent consideration.

International RCS depreciation and amortization expense increased to \$60.8 million in 2016 compared to \$42.3 million in 2015, primarily due to the inclusion of the Shred-it acquisition, which has a higher level of depreciation expense, and to the completion of the customer relationships intangible valuation related to the Shred-it acquisition resulting in a true-up of amortization expense. As a percentage of revenues, depreciation and amortization expense increased to 8.1% in 2016 as compared to 5.9% in 2015.

Net Interest Expense: Net interest expense increased to \$97.7 million during 2016 from \$77.3 million in 2015, due to increased borrowings to fund the acquisition of Shred-it in Q4 2015.

Income Tax Expense: Income tax expense decreased to \$120.2 million during 2016 from \$142.9 million during 2015. The effective tax rates for the years 2016 and 2015 were 36.6% and 34.8%, respectively. The increase in the current year tax rate, when compared to the prior year, is primarily related to the recognition of tax benefits in 2015 as well as a higher proportion of pre-tax income in the United States which has a higher statutory tax rate, compared to international operations.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

We have revised our 2015 10-K disclosure to align with the 2016 change in segments.

Highlights for the year ended December 31, 2015 included the following:

- revenues grew to \$2.99 billion, a 16.8% increase over \$2.56 billion in 2014;
- gross margins decreased to 42.4% in 2015 from 42.8% in 2014;
- operating income decreased 12.4% to \$487.6 million from \$556.3 million in 2014;
- we incurred \$174.4 million in pre-tax expenses related to acquisitions, integration expenses related to acquisitions, restructuring and plant conversion expenses, litigation settlement expense, impairment of intangible assets, and a favorable change in the fair value of contingent consideration;
- cash flows from operations were \$390.3 million;
- the acquisition of Shred-it, the largest acquisition in Stericycle's history, was completed on October 1, 2015. The aggregate purchase price was \$2.3 billion in cash and funded as follows:
 - we borrowed \$1.30 billion under a Term Loan Credit Facility on October 1, 2015 to fund a portion of the purchase price paid for Shred-it
 - net proceeds of \$746.9 million were received from a registered public offering of Series A mandatory convertible preferred stock completed on September 15, 2015 to fund a portion of the purchase price paid for Shred-it
 - we issued and sold \$300 million of our new six-year and eight-year unsecured senior notes
- dividends of \$10.1 million were paid on December 15, 2015 to holders of our Series A Preferred Stock.

The following summarizes the Company's operations:

In thousands, except per share data

	Years Ended December 31,			
	2015		2014	
	\$	%	\$	%
Revenues	\$ 2,985,908	100.0	\$ 2,555,601	100.0
Cost of revenues	1,656,573	55.5	1,401,797	54.9
Depreciation - cost of revenues	61,642	2.1	56,478	2.2
Plant conversion expenses	1,508	0.1	2,915	0.1
Total cost of revenues	1,719,723	57.6	1,461,190	57.2
Gross profit	1,266,185	42.4	1,094,411	42.8
Selling, general and administrative expenses (exclusive of adjusting items shown below)	539,944	18.1	433,865	17.0
Acquisition expenses	39,138	1.3	13,333	0.5
Integration expenses	51,689	1.7	25,968	1.0
Litigation and professional services expenses	59,651	2.0	6,574	0.3
Change in fair value of contingent consideration	(640)	—	(1,452)	(0.1)
Restructuring and plant conversion expenses	21,240	0.7	11,649	0.5
Asset impairment charges	1,781	0.1	—	0.0
Total SG&A expenses (exclusive of depreciation and amortization shown below)	712,803	23.9	489,937	19.2
Depreciation	20,272	0.7	15,446	0.6
Amortization	45,498	1.5	32,692	1.3
Income from operations	487,612	16.3	556,336	21.8
Net interest expense	77,274	2.6	66,022	2.6
Other (income)/expense, net	(569)	—	2,746	0.1
Income tax expense	142,894	4.8	159,422	6.2
Net income	268,013	9.0	328,146	12.8
Less: net income attributable to noncontrolling interests	967	—	1,690	0.1
Net income attributable to Stericycle, Inc.	267,046	8.9	326,456	12.8
Mandatory convertible preferred stock dividend	10,106	0.3	—	—
Net income attributable to Stericycle, Inc. common shareholders	\$ 256,940	8.6	\$ 326,456	12.8
Earnings per share- diluted	2.98		3.79	

Revenues: Our consolidated revenues increased \$430.3 million, or 16.8%, to \$2.99 billion from \$2.56 billion in 2014. Overall organic revenue growth contributed \$162.0 million, or 6.5% in revenues. Revenues from acquisitions contributed \$378.5 million to the increase in revenues in 2015. The effect of foreign exchange rates unfavorably impacted total revenues in 2015 by \$110.2 million, or 4.3%, as foreign currencies declined against the U.S. dollar.

Domestic and Canada RCS revenues increased \$331.8 million, or 19.9%, to \$2.00 billion from \$1.67 billion in 2014. Acquisitions contributed \$265.8 million, and organic growth contributed \$82.5 million, or 4.9% in revenues. Canadian dollar weakened and negatively affected 2015 revenue by \$16.5 million. Services related to M&I waste experienced a reduction of \$13.5 million negatively impacting overall organic growth by 0.8%. This reduction was due lower fuel surcharges as well as lower hazardous waste volume from our industrial customers.

International RCS revenues increased \$52.9 million, or 8.0%, to \$716.8 million from \$663.9 million in 2014. Organic growth, currency rate fluctuations and acquisitions impact the comparison of 2015 and 2014. Organic growth in the International RCS segment contributed \$59.9 million in revenues, or 9.0%. The effect of foreign exchange rates unfavorably impacted international revenues in 2015 by \$93.7 million, or 14.1%, as foreign currencies declined against the U.S. dollar. Revenue from international acquisitions contributed \$86.7 million to the increase in revenues in 2015.

Other revenues related to Domestic Communication and Related Services increased \$45.6 million, or 20.3%, to \$269.9 million from \$224.4 million in 2014.

Cost of Revenues: Our consolidated 2015 cost of revenues increased \$258.5 million, or 17.7%, to \$1.72 billion from \$1.46 billion in 2014. As a percentage of revenues, consolidated gross profit was 42.4% in 2015 as compared to

42.8% in 2014. We incurred \$1.5 million and \$2.9 million in plant conversion expenses during the years ended December 31, 2015 and 2014, respectively.

Domestic and Canada RCS cost of revenues increased \$192.1 million, or 21.5%, to \$1.09 billion from \$894.8 million in 2014. Gross profit as a percentage of revenues decreased to 45.6% in 2015 from 46.3% in 2014 primarily due to higher operating costs related to the current and more stringent compliance requirements for medical waste incinerators under Title V. Additionally, less than anticipated revenues from our industrial customers, which have a higher fixed cost structure, unfavorably impacted gross margins.

International RCS cost of revenues increased \$38.9 million, or 8.7%, to \$486.4 million from \$447.5 million in 2014. Gross profit as a percentage of revenues decreased to 32.1% in 2015 from 32.6% in 2014 due to a foreign exchange impact on a profitability mix as we experienced unfavorable foreign exchange impact primarily in areas with higher profitability. Similarly, we experienced higher compensation costs in areas of high inflation.

SG&A: Our consolidated SG&A expenses increased \$106.0 million, or 24.4%, to \$539.9 million from \$433.9 million in 2014 to support our increase in revenues and the inclusion of our 2015 acquisitions, mainly Shred-it. As a percentage of revenues, these costs increased to 18.1% in 2015 as compared to 17.0% in 2014.

Domestic and Canada RCS SG&A expenses increased \$96.0 million, or 53.8%, to \$274.2 million from \$178.2 million in 2014 primarily related to increased healthcare benefit costs, higher professional fees, and increased investments for growth and the inclusion of the Shred-it acquisition in 2015. As a percentage of revenues, SG&A increased to 13.7% in 2015 as compared to 10.7% in 2014.

International RCS SG&A expenses increased \$23.5 million, or 17.0%, to \$138.7 million from \$115.2 million in 2014. As a percentage of revenues, SG&A increased to 19.3% in 2015 as compared to 17.3% in 2014 primarily related to compensation expenses in support of new business growth opportunities and the inclusion of the Shred-it acquisition in 2015.

Income from Operations: Consolidated income from operations decreased by \$68.7 million, or 12.4%, to \$487.6 million from \$556.3 million in 2014. Comparison of income from operations between 2015 and 2014 was affected by the Adjusting Items described below.

In Q1 2015, management began executing a realignment of our operations to reduce labor redundancies and facility costs. As part of this realignment, the Company recorded charges related to severance, fixed asset impairment, intangible asset impairment, and recognition of lease expense for properties no longer used but for which we have a contractual obligation.

During the year ended December 31, 2015, we recognized \$59.7 million in litigation expenses (mostly due to the \$28.5 million settlement of the Qui Tam Action and the \$28.2 million settlement of the Junk Fax Lawsuit), \$39.1 million in acquisition expenses, most of which related to the 2015 acquisition of Shred-it, \$51.7 million of expenses related to the integration of our acquisitions, most of which relates to the acquisition of Shred-it, \$22.7 million in restructuring and plant conversion expenses, \$1.8 million of impairment charges on intangible assets, and a \$0.6 million favorable change in the fair value of contingent consideration.

During the year ended December 31, 2014, we recognized \$13.3 million in acquisition expenses, \$26.0 million of expenses related to the integration of our acquisitions, \$14.6 million in plant conversion and restructuring expenses related to the impairment of permit intangibles in support of plant rationalization and new plant startup costs, \$6.6 million in litigation expenses, partially offset by a \$1.5 million gain related to a change in the fair value of contingent consideration.

Consolidated depreciation and amortization expense increased to \$127.4 million in 2015 compare to \$104.6 million in 2014, primarily due to the inclusion of the Shred-it acquisition in the last quarter of 2015. As a percentage of revenue, depreciation and amortization expense increased to 4.3% as compared to 4.1% in 2014.

Domestic and Canada RCS income from operations decreased \$53.9 million, or 9.7%, to \$504.7 million from \$558.6 million in 2014.

During the year ended December 31, 2015, we recognized \$104.0 million in acquisition, integration, restructuring, litigation expense, and intangible asset impairment charges.

During the year ended December 31, 2014, we recognized \$20.0 million in acquisition, integration, restructuring and plant conversion expenses.

Domestic and Canada RCS depreciation and amortization expense increased to \$65.8 million in 2015 compare to \$44.9 million in 2014, primarily due to the inclusion of the Shred-it acquisition in the last quarter of 2015. As a percentage of revenue, depreciation and amortization expense increased to 3.3% as compared to 2.2% in 2014.

International RCS income from operations decreased \$17.4 million, or 26.2%, to \$49.2 million from \$66.6 million in 2014.

During the year ended December 31, 2015, we recognized \$23.4 million in acquisition, integration, restructuring and plant conversion expense, a favorable adjustment to litigation expenses, and a favorable change in the fair value of contingent consideration.

During the year ended December 31, 2014, we recognized \$18.6 million in acquisition, integration, restructuring and plant conversion expenses, and a favorable change in the fair value of contingent consideration.

International RCS depreciation and amortization expense increased to \$42.3 million in 2015 compare to \$41.5 million in 2014, primarily due to the inclusion of the Shred-it acquisition in the last quarter of 2015. As a percentage of revenue, depreciation and amortization expense increased to 5.9% as compared to 5.8% in 2014.

Net Interest Expense: Net interest expense increased to \$77.3 million during 2015 from \$66.0 million in 2014, due to increased borrowings to fund the acquisition of Shred-it in Q4 2015, as well as higher interest costs in Latin America.

Income Tax Expense: Income tax expense decreased to \$142.9 million during 2015 from \$159.4 million during 2014. The reported tax rates for the years 2015 and 2014 were 34.8% and 32.7%, respectively. The increase in the current year tax rate when compared to the prior year, is primarily related to an increase in the state tax rate, partially offset by a benefit from the recognition of tax deductible goodwill associated with entity mergers in Spain, Brazil, and Chile in the prior year.

Liquidity and Capital Resources:

The following senior credit facility, term loan, and the private placement notes require us to comply with various financial, reporting and other covenants and restrictions, including a restriction on dividend payments:

\$1.2 billion senior credit facility weighted average rate 2.14%, due in 2019
 \$1.0 billion term loan weighted average rate 2.07%, due in 2020
 \$175 million private placement notes 3.89%, due in 2017
 \$125 million private placement notes 2.68%, due in 2019
 \$225 million private placement notes 4.47%, due in 2020
 \$150 million private placement notes 2.89%, due in 2021
 \$125 million private placement notes 3.26%, due in 2022
 \$200 million private placement notes 2.72%, due in 2022
 \$100 million private placement notes 2.79%, due in 2023
 \$150 million private placement notes 3.18%, due in 2023

The financial debt covenants are the same for the senior credit facility, term loan, and the private placement notes. At December 31, 2016, we were in compliance with all of our financial debt covenants. Our senior credit

facility, term loan, and the private placement notes rank pari passu to each other and all other unsecured debt obligations.

At December 31, 2016, we had \$407.1 million of borrowings outstanding under our \$1.20 billion senior unsecured credit facility, which includes foreign currency borrowings of \$120.9 million. We also had \$138.0 million outstanding letters of credit under this facility. The unused portion of the revolving credit facility at December 31, 2016 was \$654.9 million. At December 31, 2016, our interest rates on borrowings under our revolving credit facility were as follows:

- A fee of 0.2% on our revolving credit facility
- For borrowings less than one month, prime rate plus 0.3%
- For borrowings greater than one month: LIBOR plus 1.3%

The weighted average rate of interest on the unsecured revolving credit facility was 2.14% per annum, which includes the 0.2% facility fee at December 31, 2016.

As of December 31, 2016, we had \$1.0 billion outstanding under our term loan credit facility. The weighted average rate of interest on the unsecured term loan facility was 2.07% per annum.

As of December 31, 2016, we had \$175.0 million of seven-year 3.89% unsecured senior notes and \$225.0 million of 10-year 4.47% unsecured senior notes outstanding issued to 39 institutional purchasers in a private placement completed in October 2010. Interest is payable in arrears semi-annually on April 15 and October 15 beginning on April 15, 2011, and principal is payable on October 15, 2017 for the seven-year notes and October 15, 2020 for the 10-year notes. We have classified our \$175.0 million private placement notes that mature in October 2017 as long-term debt due to our intent to settle this obligation by borrowing on our \$1.2 billion senior credit facility due in 2019.

As of December 31, 2016, we had \$125.0 million of seven-year 2.68% unsecured senior notes and \$125.0 million of 10-year 3.26% unsecured senior notes outstanding issued to 46 institutional purchasers in a private placement completed in December 2012. Interest is payable in arrears semi-annually on June 12 and December 12 beginning on June 12, 2013, and principal is payable on December 12, 2019 and December 12, 2022, respectively.

As December 31, 2016, we had \$200.0 million of seven-year 2.72% unsecured senior notes and \$100.0 million of eight-year 2.79% unsecured senior notes outstanding issued to several institutional purchasers in a private placement completed in July 2015. Interest is payable in arrears semi-annually on January 1 and July 1 beginning on January 1, 2016, and principal is payable on July 1, 2022 and July 1, 2023, respectively.

As December 31, 2016, we had \$150.0 million of six-year 2.89% unsecured senior notes and \$150.0 million of eight-year 3.18% unsecured senior notes outstanding issued to several institutional purchasers in a private placement completed in October 2015. Interest is payable in arrears semi-annually on April 1 and October 1 beginning on April 1, 2016, and principal is payable on October 1, 2021 and October 1, 2023, respectively.

As of December 31, 2016, we had \$191.6 million in promissory notes outstanding issued in connection with acquisitions during 2008 through 2016, \$99.4 million in foreign subsidiary bank debt outstanding, and \$11.1 million in capital lease obligations.

Working Capital: At December 31, 2016, our working capital increased \$56.3 million to \$230.8 million compared to \$174.5 million at December 31, 2015.

Current assets increased by \$11.8 million, driven by a \$20.4 million increase in accounts receivable, offset by an \$11.4 million reduction in cash. Days sales outstanding ("DSO") was 64 days at December 31, 2016 and 2015.

Current liabilities decreased by \$44.5 million in 2016, primarily related to an \$88.6 million decrease in the current debt, offset by a \$31.2 million increase in accrued liabilities.

Net Cash Provided or Used: Net cash provided by operating activities increased \$156.9 million, or 40.2%, to \$547.2 million during 2016 from \$390.3 million in 2015. Cash provided by operations as a ratio to net income in 2016 and 2015 was 263% and 146%, respectively.

On January 1, 2016, the Company adopted the guidance in Accounting Standards Update ("ASU") No. 2016-09, "Compensation - Stock Compensation (Topic 718) - Improvements to Employee Share-Based Payment Accounting." ASU 2016-09 requires that all income tax-related cash flows resulting from share-based payments be reported as operating activities in the statement of cash flows. Previously, income tax benefits at settlement of an award were reported as a reduction to operating cash flows and an increase to financing cash flows to the extent that those benefits exceeded the income tax benefits reported in earnings during the award's vesting period. The Company has elected to apply that change in cash flow classification on a prospective basis, leaving previously reported net cash provided by operating activities and net cash used in financing activities in the accompanying Consolidated Statements of Cash Flows for the period ended December 31, 2015 unchanged.

Net cash used in investing activities during 2016 was \$195.6 million compared to \$2.53 billion in 2015. We used \$2.3 billion to acquire Shred-it in October 2015. Our capital expenditures increased by \$21.4 million in 2016 and, as percentage of revenues, were at 3.8% in 2016 and 2015.

Net cash used in financing activities was \$363.3 million during 2016 compared to \$2.18 billion net cash provided by financing activities in 2015. In September 2015, we completed a registered public offering of Series A mandatory convertible preferred stock for total gross proceeds of \$770.0 million, or \$746.9 million net of \$23.1 million for underwriting discounts, commissions and expenses. We used the net proceeds from this offering to fund a portion of the purchase price paid for our acquisition of Shred-it. In 2016, we repaid \$178.4 million, net, of our senior credit facility and term loan facility. This compares to \$1.25 billion of net proceeds from our new term loan and \$500.0 million of net proceeds from our private placement notes, which were used to fund our 2015 acquisitions including Shred-it in October 2015. We had common and preferred share repurchases of \$71.7 million in 2016 compared to \$130.6 million in 2015. Dividends of \$39.4 million were paid during 2016 to holders of our Series A Preferred Stock.

Contractual Obligations

The following table summarizes our significant contractual obligations and cash commitments at December 31, 2016:

Payments due by period (dollars in thousands)

	Total	2017	2018-2019	2020-2021	2022 and After
Recorded Obligations:					
Covenants not-to-compete agreements	\$ 750	\$ —	\$ 375	\$ 375	\$ —
Expected environmental liabilities (1)	30,857	2,448	5,822	4,473	18,114
Total debt (2)	2,959,316	72,822	1,257,265	1,043,359	585,870
Unrecorded Obligations:					
Interest on debt and capital leases (3)	304,724	83,981	137,023	63,087	20,633
Non-cancelable operating lease obligations (4)	458,087	116,473	174,802	103,429	63,383
Unconditional purchase obligations (5)	80,054	31,840	32,359	15,855	—
Total contractual cash obligations	\$ 3,833,788	\$ 307,564	\$ 1,607,646	\$ 1,230,578	\$ 688,000

- (1) Environmental liabilities are presented above on an undiscounted basis and are associated with identified sites where an assessment has indicated that cleanup costs are probable and can be reasonably estimated but the timing of such payments is not fixed and determinable.
- (2) These amounts represent the scheduled principal payments related to our long-term debt and capital leases, excluding interest.

- (3) Interest on our fixed-rate debt was calculated based on contractual rates. Interest on debt with floating interest rates requires the use of management judgment to estimate the future rates of interest.
- (4) Operating lease obligations include various plant equipment, office furniture and equipment, motor vehicles, office and warehouse space, and landfill leasing arrangements. Operating lease obligations expire at various dates with the latest maturity in 2035.
- (5) Purchase obligations primarily represent noncancelable contractual obligations related to information technology products and services that we generally incur in the ordinary course of our business.

Payments for unrecognized tax benefits are excluded from contractual obligations. Based on the uncertain nature of our liability for unrecognized tax benefits, we are unable to make an estimate of the period of potential settlement, if any, with the applicable taxing authorities.

At December 31, 2016, we had \$138.0 million of outstanding stand-by letters of credit.

We anticipate that our operating cash flows, together with borrowings under our senior unsecured credit facility, will be sufficient to meet our anticipated future operating expenses, capital expenditures and debt service obligations as they become due during the next 12 months and the foreseeable future.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We are subject to market risks arising from changes in interest rates. Our potential additional interest expense over one year that would result from a hypothetical, instantaneous and unfavorable change of 100 basis points in the interest rate on all of our variable rate obligations would be approximately \$15.1 million on a pre-tax basis.

We have exposure to commodity pricing for gas and diesel fuel for our trucks and for the purchase of containers and boxes. We do not hedge these items to manage the exposure.

We have exposure to foreign currency fluctuations. We have subsidiaries in twelve foreign countries whose functional currency is the local currency. Our international subsidiaries use local currency denominated lines of credit for their funding needs. We translate results of operations of our international operations using an average exchange rate. Changes in foreign currency exchange rates could unfavorably impact our consolidated results of operations.

Item 8. Financial Statements and Supplementary Data**Report of Independent Registered Public Accounting Firm**

The Board of Directors and Shareholders of Stericycle, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of Stericycle, Inc. and Subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2016. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Stericycle, Inc. and Subsidiaries at December 31, 2016 and 2015, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Stericycle Inc. and Subsidiaries' internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 14, 2017 expressed an adverse opinion thereon.

/s/ Ernst & Young LLP

Chicago, Illinois
March 14, 2017

STERICYCLE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

In thousands, except share and per share data

	December 31,	
	2016	2015
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 44,189	\$ 55,634
Short-term investments	62	69
Accounts receivable, less allowance for doubtful accounts of \$49,645 in 2016 and \$22,329 in 2015	634,902	614,494
Prepaid expenses	46,214	46,740
Assets held for sale	9,134	—
Other current assets	39,117	44,891
Total Current Assets	773,618	761,828
Property, plant and equipment, less accumulated depreciation of \$495,215 in 2016 and \$426,019 in 2015	723,894	665,602
Goodwill	3,591,020	3,758,177
Intangible assets, less accumulated amortization of \$271,568 in 2016 and \$151,025 in 2015	1,861,973	1,842,561
Other assets	29,556	36,995
Total Assets	\$ 6,980,061	\$ 7,065,163
LIABILITIES AND EQUITY		
Current Liabilities:		
Current portion of long-term debt	\$ 72,822	\$ 161,409
Accounts payable	152,881	149,202
Accrued liabilities	228,526	197,329
Deferred revenues	17,902	16,989
Liabilities held for sale	2,858	—
Other current liabilities	67,864	62,420
Total Current Liabilities	542,853	587,349
Long-term debt, net	2,877,315	3,040,352
Deferred income taxes	645,371	608,272
Other liabilities	98,136	81,352
Equity:		
Preferred stock (par value \$0.01 per share, 1,000,000 shares authorized), mandatory convertible preferred stock, Series A, 726,500 issued and outstanding in 2016 and 770,000 issued and outstanding in 2015	7	8
Common stock (par value \$.01 per share, 120,000,000 shares authorized, 85,152,700 issued and outstanding in 2016 and 84,852,584 issued and outstanding in 2015)	852	849
Additional paid-in capital	1,166,457	1,143,020
Accumulated other comprehensive loss	(367,643)	(282,631)
Retained earnings	2,006,064	1,868,645
Total Stericycle, Inc.'s Equity	2,805,737	2,729,891
Noncontrolling interests	10,649	17,947
Total Equity	2,816,386	2,747,838
Total Liabilities and Equity	\$ 6,980,061	\$ 7,065,163

The accompanying notes are an integral part of these consolidated financial statements.

STERICYCLE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

In thousands, except share and per share data

	Years Ended December 31,		
	2016	2015	2014
Revenues	\$ 3,562,342	\$ 2,985,908	\$ 2,555,601
Costs and Expenses:			
Cost of revenues (exclusive of depreciation shown below)	1,971,842	1,658,081	1,404,712
Depreciation - cost of revenues	88,546	61,642	56,478
Selling, general and administrative expenses (exclusive of depreciation and amortization shown below)	904,179	712,803	489,937
Depreciation - SG&A	34,700	20,272	15,446
Amortization	129,300	45,498	32,692
Total Costs and Expenses	3,128,567	2,498,296	1,999,265
Income from Operations	433,775	487,612	556,336
Other Income (Expense):			
Interest income	78	224	120
Interest expense	(97,787)	(77,498)	(66,142)
Other (expense)/income, net	(7,921)	569	(2,746)
Total Other Expense	(105,630)	(76,705)	(68,768)
Income Before Income Taxes	328,145	410,907	487,568
Income tax expense	120,246	142,894	159,422
Net Income	207,899	268,013	328,146
Less: net income attributable to noncontrolling interests	1,540	967	1,690
Net Income Attributable to Stericycle, Inc.	206,359	267,046	326,456
Mandatory convertible preferred stock dividend	39,414	10,106	—
Gain on repurchase of preferred stock	(11,285)	—	—
Net Income Attributable to Stericycle, Inc. Common Shareholders	\$ 178,230	\$ 256,940	\$ 326,456
Earnings Per Common Share Attributable to Stericycle, Inc. Common Shareholders:			
Basic	\$ 2.10	\$ 3.02	\$ 3.84
Diluted	\$ 2.08	\$ 2.98	\$ 3.79
Weighted Average Number of Common Shares			
Outstanding:			
Basic	84,932,402	84,944,841	84,932,792
Diluted	85,610,219	86,162,609	86,233,612

The accompanying notes are an integral part of these consolidated financial statements.

STERICYCLE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

In thousands	Years Ended December 31,		
	2016	2015	2014
Net Income	\$ 207,899	\$ 268,013	\$ 328,146
Other Comprehensive Income/ (Loss):			
Foreign currency translation adjustments	(86,575)	(140,648)	(82,871)
Amortization of cash flow hedge into income, net of tax expense (\$687, \$452 and \$209 for the years ended December 31, 2016, 2015 and 2014, respectively)	1,070	716	339
Change in fair value of cash flow hedge, net of tax expense/ (benefit) (\$90, (\$2,623) and (\$813) for the years ended December 31, 2016, 2015 and 2014, respectively)	258	(4,119)	(2,069)
Total Other Comprehensive Loss	(85,247)	(144,051)	(84,601)
Comprehensive Income	122,652	123,962	243,545
Less: comprehensive loss/(income) attributable to noncontrolling interests	1,305	1,128	(960)
Comprehensive Income Attributable to Stericycle, Inc. Common Shareholders	\$ 121,347	\$ 122,834	\$ 244,505

The accompanying notes are an integral part of these consolidated financial statements.

STERICYCLE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

In thousands	Years Ended December 31,		
	2016	2015	2014
OPERATING ACTIVITIES:			
Net income	\$ 207,899	\$ 268,013	\$ 328,146
Adjustments to reconcile net income to net cash provided by operating activities:			
Stock compensation expense	20,455	21,750	17,773
Excess tax benefit of stock options exercised	—	(16,897)	(17,906)
Depreciation	123,246	81,914	71,924
Amortization	129,300	45,498	32,692
Deferred income taxes	7,078	(10,294)	16,550
Asset impairment charges	28,472	1,781	—
Other, net	975	5,686	8,932
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:			
Accounts receivable	(43,136)	(55,890)	(34,116)
Accounts payable	4,624	26,366	(5,712)
Accrued liabilities	28,527	26,060	21,279
Deferred revenues	1,383	(4,615)	1,017
Other assets and liabilities	38,426	956	7,921
Net cash provided by operating activities	547,249	390,328	448,500
INVESTING ACTIVITIES:			
Payments for acquisitions, net of cash acquired	(63,917)	(2,419,437)	(374,321)
Proceeds from/ (purchases of) investments	7	294	(1,957)
Proceeds from insurance settlement	2,358	—	—
Proceeds from sale of business	790	—	—
Proceeds from sale of property and equipment	1,316	—	—
Capital expenditures	(136,160)	(114,761)	(86,496)
Net cash used in investing activities	(195,606)	(2,533,904)	(462,774)
FINANCING ACTIVITIES:			
Repayments of long-term debt and other obligations	(89,215)	(93,172)	(101,231)
Proceeds from foreign bank debt	76,237	53,747	205,086
Repayments of foreign bank debt	(84,114)	(87,308)	(193,284)
Proceeds from term loan	—	1,550,000	—
Repayment of term loan	(250,000)	(300,000)	—
Proceeds from private placement of long-term note	—	600,000	—
Repayments of private placement of long-term note	—	(100,000)	—
Proceeds from senior credit facility	1,464,902	1,907,402	1,413,026
Repayments of senior credit facility	(1,393,323)	(2,004,385)	(1,216,031)
Payments of capital lease obligations	(5,313)	(3,865)	(5,826)
Payments of deferred financing costs	(605)	(9,903)	(2,280)
Payment for hedge	—	(8,833)	—
Payments for repurchase of common stock	(40,814)	(130,576)	(194,066)
Payments for repurchase of mandatory convertible preferred stock	(30,910)	—	—
Proceeds from issuance of mandatory convertible preferred stock	—	746,900	—
Proceeds from issuance of common stock	37,504	60,124	51,852
Dividends paid on mandatory convertible preferred stock	(39,414)	(10,106)	—
Excess tax benefit of stock options exercised	—	16,897	17,906
Payments to noncontrolling interests	(8,190)	(5,714)	(5,201)
Net cash (used in)/ provided by financing activities	(363,255)	2,181,208	(30,049)
Effect of exchange rate changes on cash and cash equivalents	167	(4,234)	(608)
Net (decrease)/ increase in cash and cash equivalents	(11,445)	33,398	(44,931)
Cash and cash equivalents at beginning of period	55,634	22,236	67,167
Cash and cash equivalents at end of period	\$ 44,189	\$ 55,634	\$ 22,236
NON-CASH ACTIVITIES:			
Issuances of obligations for acquisitions	\$ 44,230	\$ 80,189	\$ 145,938

The accompanying notes are an integral part of these consolidated financial statements.

STERICYCLE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2016, 2015 and 2014

In thousands

	Stericycle, Inc. Equity								
	Preferred Stock		Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Equity
	Shares	Amount	Shares	Amount					
Balance at January 1, 2014	—	\$ —	85,500	855	195,110	1,610,964	(56,468)	17,077	1,767,538
Net income						326,456		1,690	328,146
Currency translation adjustment							(80,221)	(2,650)	(82,871)
Change in qualifying cash flow hedge, net of tax							(1,730)		(1,730)
Issuance of common stock for exercise of options and employee stock purchases			1,061	11	58,551				58,562
Purchase and cancellation of treasury stock			(1,677)	(17)		(194,049)			(194,066)
Stock compensation expense					17,773				17,773
Excess tax benefit of stock options exercised					17,906				17,906
Noncontrolling interests attributable to acquisitions								6,781	6,781
Reduction to noncontrolling interests due to additional ownership					(129)			(725)	(854)
Balance at December 31, 2014	—	—	84,884	849	289,211	1,743,371	(138,419)	22,173	1,917,185
Net income						267,046		967	268,013
Currency translation adjustment							(140,809)	161	(140,648)
Change in qualifying cash flow hedge, net of tax							(3,403)		(3,403)
Issuance of common stock for exercise of options and employee stock purchases			973	10	68,630				68,640
Issuance of mandatory convertible preferred stock	770	8			746,892				746,900
Purchase and cancellation of treasury stock			(1,004)	(10)		(131,666)			(131,676)
Preferred stock dividend						(10,106)			(10,106)
Stock compensation expense					21,750				21,750
Excess tax benefit of stock options exercised					16,897				16,897
Reduction to noncontrolling interests due to additional ownership					(360)			(5,354)	(5,714)
Balance at December 31, 2015	770	8	84,853	849	1,143,020	1,868,645	(282,631)	17,947	2,747,838
Net income						206,359		1,540	207,899
Currency translation adjustment							(86,340)	(235)	(86,575)
Change in qualifying cash flow hedge, net of tax							1,328		1,328
Issuance of common stock for exercise of options and employee stock purchases			661	6	44,763				44,769
Purchase and cancellation of treasury stock			(361)	(3)		(40,811)			(40,814)
Purchase and cancellation of convertible preferred stock	(44)	(1)			(42,194)	11,285			(30,910)
Preferred stock dividend						(39,414)			(39,414)
Stock compensation expense					20,455				20,455
Reduction to noncontrolling interests due to additional ownership					413			(8,603)	(8,190)
Balance at December 31, 2016	726	\$ 7	85,153	\$ 852	\$ 1,166,457	\$ 2,006,064	\$ (367,643)	\$ 10,649	\$ 2,816,386

The accompanying notes are an integral part of these consolidated financial statements.

STERICYCLE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unless the context requires otherwise, "we," "us" or "our" refers to Stericycle, Inc. and its subsidiaries on a consolidated basis.

NOTE 1 — DESCRIPTION OF BUSINESS

We are a business-to-business services provider with a focus on regulated and compliance solutions for healthcare, retail, and commercial businesses. This includes the collection and processing of regulated and specialized waste for disposal and the collection of personal and confidential information for secure destruction, plus a variety of training, consulting, recall/return, communication, and compliance services.

We were incorporated in 1989 and presently serve a diverse customer base of more than 1,000,000 customers throughout the United States, Argentina, Austria, Australia, Belgium, Brazil, Canada, Chile, France, Germany, Ireland, Japan, Luxembourg, Mexico, the Netherlands, Portugal, Romania, Republic of Korea, Singapore, South Africa, Spain, and the United Kingdom.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation: The consolidated financial statements include the accounts of Stericycle, Inc. and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The Company's consolidated financial statements were prepared in accordance with U.S. GAAP and include the assets, liabilities, revenue and expenses of all wholly-owned subsidiaries and majority-owned subsidiaries over which the Company exercises control. Outside stockholders' interests in subsidiaries are shown on the consolidated financial statements as "Noncontrolling interests."

Revenue Recognition: Revenues for our regulated medical waste management services, other than our compliance services, and secure information destruction services are recognized at the time of waste collection. Our compliance service revenues are recognized evenly over the contractual service period. Payments received in advance are deferred and recognized as services are provided. Revenues from hazardous waste services are recorded at the time waste is received at our processing facility or delivered to a third party. Revenues from regulated recall and returns management services and communication solutions are recorded at the time services are performed. Revenues from product sales are recognized at the time the goods are shipped to the ordering customer. Charges related to sales taxes and international value added tax ("VAT") and other similar pass through taxes are not included as revenue.

Goodwill and Other Identifiable Intangible Assets: We have historically evaluated goodwill for impairment annually as of June 30, or when an indicator of impairment exists. During 2016, we changed the date of our annual goodwill impairment assessment for our reporting units to October 1st. This voluntary change in the annual goodwill testing date is a change in accounting principle, which we believe is preferable as it better aligns the timing of the assessment with the timing of the Company's annual strategic planning and forecasting process. This change in assessment date was applied prospectively and did not delay, accelerate or avoid a potential impairment charge. We evaluated for retrospective application to be impractical as it would require significant estimates and assumptions with the use of hindsight.

The Company has the option to assess goodwill for impairment by first performing a qualitative assessment to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount. If the Company determines that it is not more-likely-than-not that the fair value of a reporting unit is less than its

carrying amount, then the two-step goodwill impairment test is not required to be performed. If the Company determines that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, or if the Company does not elect the option to perform an initial qualitative assessment, the Company performs the two-step goodwill impairment test. In the first step, the fair value of the reporting unit is compared to its book value including goodwill. If the fair value of the reporting unit is in excess of its book value, the related goodwill is not impaired and no further analysis is necessary. If the fair value of the reporting unit is less than its book value, there is an indication of potential impairment and a second step is performed. When required, the second step of testing involves calculating the implied fair value of goodwill for the reporting unit. The implied fair value of goodwill is determined in the same manner as goodwill recognized in a business combination, which is the excess of the fair value of the reporting unit determined in step one over the fair value of its net assets, including identifiable intangible assets, as if the reporting unit had been acquired. If the carrying value of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess.

We have historically tested our indefinite lived intangible assets for impairment annually at December 31, or more frequently, if circumstances indicate that they may be impaired. During 2016, we changed the date of our annual indefinite-lived intangible asset impairment assessment to October 1st. This voluntary change in the testing date is a change in accounting principle, which we believe is preferable as it better aligns the timing of the assessment with the timing of the Company's annual strategic planning and forecasting process and it aligns the testing of all indefinite-lived impairment testing to be as of a consistent date. This change in assessment date was applied prospectively and did not delay, accelerate or avoid a potential impairment charge. We evaluated for retrospective application to be impractical as it would require significant estimates and assumptions with the use of hindsight.

Impairment of Long-Lived Assets: Long-lived assets, such as property, plant and equipment and intangible assets which are amortized, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. If circumstances require that a long-lived asset or asset group to be held and used be tested for possible impairment, the Company first compares the undiscounted cash flows expected to be generated by that long-lived asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value.

Long-lived assets or disposal groups classified as held for sale are recorded at the lower of their carrying amount or fair value less estimated selling costs. Long-lived assets are not depreciated or amortized while classified as held for sale.

Income Taxes: We are subject to income taxes in both the U.S. and numerous foreign jurisdictions. We compute our provision for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities and for operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates that are expected to apply to taxable income for the years in which those tax assets and liabilities are expected to be realized or settled. Significant judgments are required in order to determine the realizability of these deferred tax assets. In assessing the need for a valuation allowance, we evaluate all significant available positive and negative evidence, including historical operating results, estimates of future taxable income and the existence of prudent and feasible tax planning strategies. Changes in the expectations regarding the realization of deferred tax assets could materially impact income tax expense in future periods. Undistributed earnings of foreign subsidiaries are considered to be permanently reinvested, and therefore no deferred taxes are recorded on our outside basis differences. Tax liabilities are recorded when, in management's judgment, a tax position does not meet the more likely than not threshold for recognition. For tax positions that meet the more likely than not threshold, a tax liability may still be recorded depending on management's assessment of how the tax position will ultimately be settled. The Company records interest and penalties on unrecognized tax benefits in the provision for income taxes.

Accounts Receivable: Accounts receivable consist of amounts due to us from our normal business activities. Our accounts receivable balance includes amounts related to VAT and similar international pass-through taxes. We do not require collateral as part of our standard trade credit policy. Accounts receivable balances are determined to be past due based on the contractual terms with the customer. We maintain an allowance for doubtful accounts to reflect the expected uncollectability of accounts receivable based on past collection history and specific risks identified among uncollected accounts. Accounts receivable are written off against the allowance for doubtful accounts when we have determined that the receivable will not be collected and/or when the account has been referred to a third party collection agency. No single customer accounts for more than approximately 1.4% of our accounts receivable. During the years ended December 31, 2016, 2015 and 2014, bad debt expense was \$41.8 million, \$13.7 million and \$9.9 million, respectively.

Stock-Based Compensation: We measure stock-based compensation cost at fair value. Expense is generally recognized on a straight-line basis over the service period during which awards are expected to vest. We present stock-based compensation expense within the Consolidated Statements of Income based on the classification of the respective employees' cash compensation.

Cash Equivalents and Short-Term Investments: We consider all highly liquid investments with a maturity of less than three months when purchased to be cash equivalents. Short-term investments consist of certificates of deposit which mature in less than one year.

Property, Plant and Equipment: Property, plant and equipment is stated at cost. Depreciation and amortization, which includes the depreciation of assets recorded under capital leases, is computed using the straight-line method over the estimated useful lives of the assets as follows:

Building and improvements	5 to 50 years
Machinery and equipment	2 to 30 years
Containers	2 to 20 years
Vehicles	2 to 7 years
Office equipment and furniture	2 to 20 years
Software	2 to 7 years

Our containers have a weighted average remaining useful life of 12.2 years.

Lease and Asset Retirement Obligations: The Company classifies leases at their inception as either operating or capital leases and may receive renewal or expansion options, rent holidays, and leasehold improvement or other incentives on certain lease agreements. The Company recognizes operating lease costs on a straight-line basis, taking into account adjustments for free or escalating rental payments and deferred payment terms. Additionally, lease incentives are accounted for as a reduction of lease costs over the lease term. Rent expense associated with operating lease obligations that relate to the delivery of our services is presented in Cost of revenues ("COR") and the remaining is classified within Selling, general and administrative expenses ("SG&A") on the Consolidated Statements of Income. Minimum lease payments made under capital leases are apportioned between interest expense and a reduction of the related capital lease obligations, which are classified within Accrued liabilities and Current portion of long-term debt on the Consolidated Balance Sheets.

The Company establishes assets and liabilities for the present value of estimated future costs to retire long-lived assets at the termination or expiration of a lease. Such assets are amortized over the lease term, and the recorded liabilities are accreted to the future value of the estimated retirement costs. The related amortization and accretion expenses are presented within COR if the leased asset is used in the delivery of our services and the remaining expenses are presented within SG&A on the Consolidated Statements of Income.

Insurance: Our insurance for workers' compensation, vehicle liability and physical damage, and employee-related health care benefits is obtained using high deductible insurance policies. A third-party administrator is used to process all such claims. We require all workers' compensation, vehicle liability and physical damage claims to be reported within 24 hours. As a result, we accrue our workers' compensation, vehicle and physical damage liability

based upon the claim reserves established by the third-party administrator at the end of each reporting period includes an estimate for claims incurred but not yet reported. Our employee health insurance benefit liability is based on our historical claims experience.

Financial Instruments: Our financial instruments consist of cash and cash equivalents, short-term investments, accounts receivable and payable, derivatives, and long-term debt. Financial instruments, which potentially subject us to concentrations of credit risk, consist principally of accounts receivable. Credit risk on trade receivables is minimized as a result of the large size of our customer base. No single customer represents greater than approximately 1.4% of total accounts receivable. We perform ongoing credit evaluation of our customers and maintain allowances for potential credit losses.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Some areas where we make estimates include our allowance for doubtful accounts, credit memo reserve, accrued employee health and welfare benefits, environmental liabilities, stock compensation expense, income tax liabilities, accrued auto and workers' compensation insurance claims, and intangible asset valuations. Such estimates are based on historical trends and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from our estimates.

Foreign Currency: Assets and liabilities of foreign affiliates that use the local currency as their functional currency are translated at the exchange rate on the last day of the accounting period, and income statement accounts are translated at the average rates during the period. Related translation adjustments are reported as a component of accumulated other comprehensive loss on the Consolidated Balance Sheets. Foreign currency gains and losses resulting from transactions which are denominated in currencies other than the entity's functional currency, including foreign currency gains and losses on intercompany balances that are not of a long-term investment nature, are included within Other (expense)/income, net on the Consolidated Statements of Income.

Reclassifications: Certain amounts in previously issued financial statements have been reclassified to conform to the current period presentation.

New Accounting Standards:

Adoption of New Accounting Standards

Going Concern

The Company adopted the guidance in Accounting Standards Update ("ASU") 2014-15, *Presentation of Financial Statements – Going Concern (Subtopic 205-40) – Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, as of December 31, 2016. This ASU requires management to assess a company's ability to continue as a going concern and to provide related disclosures in certain circumstances. Based on the results of the Company's analysis, no additional disclosures were required.

Compensation - Stock Compensation

On January 1, 2016, the Company adopted the guidance in Accounting Standards Update (ASU) No. 2016-09, "*Compensation – Stock Compensation (Topic 718) – Improvements to Employee Share-Based Payment Accounting*." Under this ASU, entities are permitted to make an accounting policy election to either estimate forfeitures on share-based payment awards, as previously required, or to recognize forfeitures as they occur. The Company has elected to recognize forfeitures as they occur and the impact of that change in accounting policy has been evaluated and determined to be insignificant and resulted in no cumulative-effect change to the Company's retained earnings. Additionally, ASU 2016-09 requires that all income tax effects related to settlements of share-based payment awards be reported in earnings as an increase or decrease to income tax expense (benefit), net.

Previously, income tax benefits at settlement of an award were reported as an increase (or decrease) to additional paid-in capital to the extent that those benefits were greater than (or less than) the income tax benefits reported in earnings during the award's vesting period. The requirement to report those income tax effects in earnings has been applied on a prospective basis to settlements occurring on or after January 1, 2016. The impact of applying that guidance was \$6.0 million to the Company's Consolidated Statements of Income for the year ended December 31, 2016. ASU 2016-09 also requires that all income tax-related cash flows resulting from share-based payments be reported as operating activities in the statement of cash flows. Previously, income tax benefits at settlement of an award were reported as a reduction to operating cash flows and an increase to financing cash flows to the extent that those benefits exceeded the income tax benefits reported in earnings during the award's vesting period. The Company has elected to apply that change in cash flow classification on a prospective basis, leaving previously reported net cash provided by operating activities and net cash used in financing activities in the accompanying Consolidated Statements of Cash Flows for the period ended December 31, 2015 and 2014 unchanged. The remaining provisions of ASU 2016-09 did not have a material impact on the accompanying consolidated financial statements.

Interest Imputation of Interest

The Company adopted the guidance in ASU No. 2015-03, "Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs" that requires debt issuance costs related to a recognized debt liability to be presented in the balance sheet as a direct deduction from the debt liability rather than as an asset. The guidance for recognition and measurement for debt issuance costs are not affected by the accounting standard update. The revised standard only affects presentation and therefore did not have an impact on the Company's results of operations. The adoption resulted in a reclassification that reduced other assets and long-term debt by \$12.3 million on the Consolidated Balance Sheet at December 31, 2015.

Accounting Standards Issued But Not Yet Adopted

Revenue From Contracts With Customers

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers" (Topic 606), guidance to provide a single and comprehensive revenue recognition model for all contracts with customers. The revenue guidance contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The amended authoritative guidance associated with revenue recognition is effective for the Company on January 1, 2018. The Company currently anticipates adopting this ASU using the modified retrospective method. While the Company continues to evaluate the impacts of this ASU on our consolidated financial statements, the Company currently expects that incremental contract acquisition costs of obtaining revenue generating contracts, such as sales commissions paid in connection with multi-year service contracts, would be capitalized and amortized over the economic life of the contract. Under the current guidance, the Company expenses such costs when incurred. Accordingly, the amount of contract consideration allocated to the performance obligations under some contracts would be different under the new standard than the amount allocated under the current standard. As the Company completes its evaluation of this new standard, new information may arise that could change the Company's current understanding of the impact to revenue and expense recognized. Additionally, the Company will continue to monitor industry activities and any additional guidance provided by regulators, standards setters, or the accounting profession and to adjust the Company's assessment and implementation plans accordingly.

Leases

In February 2016, the FASB issued ASU No. 2016-02, "Leases" (Topic 842). This guidance will require lessees to record a right-of-use asset and lease liability on the balance sheet for all leases with terms of more than 12

months. Recognition, measurement and presentation of expenses will depend on classification as a finance or operating lease. This ASU also requires certain quantitative and qualitative disclosures. Accounting guidance for lessors is largely unchanged. The amendments should be applied on a modified retrospective basis. ASU 2016-02 is effective for us beginning January 1, 2019. We have not yet begun to evaluate the impact that the adoption of ASU 2016-02 will have on our consolidated financial statements and related disclosures. We will begin our evaluation of the adoption of the new standard in 2017.

Statement of Cash Flows

In August 2016, the FASB issued ASU No. 2016-15 “Statement of Cash Flows” (Topic 230). This guidance clarifies diversity in practice on where in the Statement of Cash Flows to recognize certain transactions, including the classification of payment of contingent consideration for acquisitions between Financing and Operating activities. ASU 2016-15 is effective for us beginning January 1, 2018. The adoption of this guidance is not expected to have a significant impact on our financial statements, as our treatment of the relevant affected items within the Consolidated Statement of Cash Flows is consistent with the requirements of this guidance.

Intra-Entity Transfers of Assets Other Than Inventory

In October 2016, the FASB issued ASU No. 2016-16, “Intra-Entity Transfers of Assets Other Than Inventory.” This guidance requires the income tax consequences of an intra-entity transfer of an asset other than inventory to be recognized when the transfer occurs, instead of when the asset is sold to an outside party. The pronouncement is effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within those annual reporting periods, with early adoption permitted. We do not expect the adoption to have a material impact on our financial statements.

Intangibles – Goodwill and Other – Simplifying the Test for Goodwill Impairment

In January 2017, the FASB issued ASU 2017-04, *Intangibles – Goodwill and Other (Topic 350) – Simplifying the Test for Goodwill Impairment*. This guidance eliminates Step 2 of the goodwill impairment test and requires a goodwill impairment to be measured as the amount by which a reporting unit’s carrying amount exceeds its fair value, not to exceed the carrying amount of its goodwill. The ASU is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. We do not expect the adoption to have a material impact on our financial statements.

NOTE 3 – ACQUISITIONS, DIVESTITURES, AND ASSETS HELD FOR SALE

Acquisitions

Domestically, we acquired selected assets and liabilities of fifteen secure information destruction businesses, selected assets and liabilities of three regulated waste businesses, one communication services business, and 100% of the stock of two regulated waste businesses.

Internationally, we acquired selected assets and liabilities of regulated waste businesses: one in the Republic of Korea, two in Spain, two in Romania, and one in the United Kingdom. We also acquired selected assets and liabilities of three secure information destruction businesses in Australia, and 100% of the stock of another in Spain.

The acquisitions were all considered to be business combinations under the guidance.

The following table summarizes the locations of our acquisitions for the years ended December 31, 2016, 2015 and 2014:

Acquisition Locations	2016	2015	2014
United States	21	19	17
Argentina	—	—	2
Australia	3	—	0
Brazil	—	2	3
Canada	—	2	2
Chile	—	—	3
Ireland	—	1	—
Japan	—	—	2
Mexico	—	3	—
Netherlands	—	2	—
Portugal	—	—	5
Republic of Korea	1	6	1
Romania	2	4	3
Spain	3	4	3
United Kingdom	1	—	3
Total	31	43	44

The following table summarizes the acquisition date fair value of consideration transferred for acquisitions completed during the years ended December 31, 2016, 2015 and 2014:

In thousands	2016	2015	2014
Cash	\$ 55,388	\$ 2,420,764	\$ 373,820
Promissory notes	40,938	64,124	125,245
Deferred consideration	4,094	3,172	3,889
Contingent consideration	988	10,070	17,174
Total purchase price	\$ 101,408	\$ 2,498,130	\$ 520,128

For financial reporting purposes, our acquisitions were accounted for using the acquisition method of accounting. These acquisitions resulted in the recognition of goodwill in our financial statements reflecting the premium paid to acquire businesses that we believe are complementary to our existing operations and fit our growth strategy. During the year ended December 31, 2016, we recognized an increase in goodwill of \$52.8 million related to current year acquisitions, excluding the effect of foreign currency translation. Approximately \$40.3 million of the goodwill recognized during the year ended December 31, 2016 will be deductible for income taxes.

During the year ended December 31, 2016, we recognized an increase in intangible assets from current year acquisitions of \$35.6 million, excluding the effect of foreign currency translation. We recognized \$34.6 million for the estimated fair value of acquired customer relationships with amortizable lives of 10 to 40 years and \$1.0 million for covenant not-to-compete agreements with amortizable lives of 5 years.

The fair value of consideration transferred in a business combination is allocated to the tangible and intangible assets assumed at the acquisition date, with the remaining unallocated amount recorded as goodwill. The allocations of the acquisition price for recent acquisitions have been prepared on a preliminary basis, pending completion of certain intangible asset valuations and finalization of the opening balance sheet. The following table summarizes the preliminary purchase price allocation for current period acquisitions during the year ended December 31, 2016:

In thousands

	2016	2015	2014
Fixed assets	\$ 13,079	\$ 196,164	\$ 96,868
Intangibles	35,564	1,016,774	249,414
Goodwill	52,769	1,450,950	258,017
Accounts receivable	3,155	135,758	65,509
Net other assets/ (liabilities)	171	18,843	(11,359)
Current liabilities	(933)	(90,133)	(64,396)
Debt	(188)	(4,955)	(22,423)
Environmental remediation liabilities	—	—	(32,383)
Net deferred tax liabilities	(2,209)	(225,271)	(12,338)
Noncontrolling interest	—	—	(6,781)
Total purchase price allocation	<u>\$ 101,408</u>	<u>\$ 2,498,130</u>	<u>\$ 520,128</u>

During the years ended December 31, 2016, 2015 and 2014, the Company incurred \$9.6 million, \$39.1 million, and \$13.3 million, respectively, of acquisition related expenses. These expenses are included within SG&A on the Consolidated Statements of Income. The results of operations of these acquired businesses have been included on the Consolidated Statements of Income from the date of the acquisition. Pro forma results of operations for these acquisitions are not presented because the pro forma effects, individually or in the aggregate, were not material to the Company's consolidated results of operations.

On October 1, 2015, we acquired Shred-it International ULC, an Alberta unlimited liability corporation ("SII"), Shredit JV LP, an Ontario limited partnership ("Shredit JV"), Boost GP Corp., an Ontario corporation ("Boost GP"), and Boost Holdings LP, an Ontario limited partnership (together with SII, Shred-it JV and Boost GP, "Shred-it"). Shred-it is the global leader in secure information destruction, a highly complementary service to our regulated waste and compliance services and provides operational synergies stemming from our core competencies in route logistics and lean management systems. The aggregate purchase price was \$2.3 billion in cash.

The following table summarizes the adjustments to the consideration transferred for prior year acquisitions and primarily includes \$9.5 million of additional cash consideration paid in March 2016 as part of the final working capital adjustments for the 2015 Shred-it acquisition:

In thousands

Cash	\$ 8,529
Promissory notes	(1,790)
Total purchase price	<u>\$ 6,739</u>

During 2016, we recorded various adjustments to our provisional amounts related to the Shred-it and other prior year acquisitions. The following table summarizes these adjustments by major assets acquired and liabilities assumed:

In thousands

	Shred-it Acquisition	Other Prior Year Acquisitions	Total
Fixed assets	\$ 45,423	\$ 7,215	\$ 52,638
Intangibles	153,056	15,923	168,979
Goodwill	(152,833)	(8,356)	(161,189)
Accounts receivable	(3,585)	(2,898)	(6,483)
Net other assets/ (liabilities)	(65)	(756)	(821)
Current liabilities	(13,348)	(2,177)	(15,525)
Net deferred tax liabilities	(19,006)	(11,854)	(30,860)
Total purchase price allocation	<u>\$ 9,642</u>	<u>\$ (2,903)</u>	<u>\$ 6,739</u>

The following table summarizes the completed purchase price allocation by major asset acquired and liabilities assumed for the acquisition of Shred-it:

<u>In thousands</u>	<u>Shred-it Acquisition</u>	
Fixed assets	\$	219,673
Intangibles		1,108,056
Goodwill		1,180,213
Accounts receivable		113,956
Net other assets/ (liabilities)		16,673
Current liabilities		(85,526)
Net deferred tax liabilities		(239,511)
Total purchase price allocation	<u>\$</u>	<u>2,313,534</u>

As of December 31, 2016, purchase accounting has been completed for all of our 2015 acquisitions.

Divestitures

In Q4 2016, we sold certain assets in the United Kingdom for \$0.8 million resulting in a pretax loss of \$1.6 million (\$1.3 million, net of tax) which is included in SG&A on the Consolidated Statements of Income.

Assets and Liabilities Held for Sale

As of December 31, 2016, certain of our international operations met the criteria to be classified as held for sale. We recorded a \$25.5 million impairment charge in SG&A on the Consolidated Statements of Income to adjust the carrying value of the asset groups to their fair value less estimated costs to sell. The assets and liabilities of the disposal groups are presented in assets held for sale and liabilities held for sale on the consolidated balance sheet.

The following table presents information related to the major classes of assets and liabilities that were classified as held for sale on the Consolidated Balance Sheet at December 31, 2016:

<u>In thousands</u>		
Accounts receivable	\$	2,556
Inventory		223
Prepaid expenses		271
Fixed assets		4,915
Goodwill		80
Intangibles		753
Other assets		336
Assets held for sale	<u>\$</u>	<u>9,134</u>
Current portion of lt debt	\$	998
Account payable		928
Accrued liabilities		605
Other current liabilities		1
Deferred income taxes		326
Liabilities held for sale	<u>\$</u>	<u>2,858</u>

We determined that the operations included in the table above did not meet the criteria to be classified as discontinued operations under the applicable guidance.

NOTE 4 – FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of assets and liabilities and their placement within the fair value hierarchy levels. The impact of our creditworthiness and non-performance risk has been considered in the fair value measurements noted below. There were no movements of items between fair value hierarchies.

The following table summarizes the bases used to measure financial assets and liabilities that are carried at fair value on a recurring basis in the Consolidated Balance Sheets:

In thousands

	Total as of December 31, 2016	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Assets:				
Short-term investments	\$ 62	\$ 62	\$ —	\$ —
Derivative financial instruments	816	—	816	—
Total assets	\$ 878	\$ 62	\$ 816	\$ —
Liabilities:				
Contingent consideration	\$ 24,119	\$ —	\$ —	\$ 24,119
Total liabilities	\$ 24,119	\$ —	\$ —	\$ 24,119

In thousands

	Total as of December 31, 2015	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Assets:				
Short-term investments	\$ 69	\$ 69	\$ —	\$ —
Derivative financial instruments	1,207	—	1,207	—
Total assets	\$ 1,276	\$ 69	\$ 1,207	\$ —
Liabilities:				
Contingent consideration	\$ 25,390	\$ —	\$ —	\$ 25,390
Total liabilities	\$ 25,390	\$ —	\$ —	\$ 25,390

For our derivative financial instruments, we use a market approach valuation technique based on observable market transactions of spot and forward rates.

We recorded a \$0.8 million asset related to the fair value of the U.S. dollar-Canadian dollar foreign currency swap which was classified as other assets at December 31, 2016. The objective of the swap is to offset the foreign exchange risk to the U.S. dollar equivalent cash outflows for our Canadian subsidiary.

Our contingent consideration liabilities are recorded using Level 3 inputs and were \$24.1 million as of December 31, 2016, of which \$8.1 million was classified as current liabilities. Contingent consideration liabilities were \$25.4 million at December 31, 2015, of which \$9.1 million was classified as current liabilities. Contingent consideration represents amounts expected to be paid as part of acquisition consideration only if certain future events occur. These events are usually targets for revenues or earnings related to the business acquired. We arrive at the fair value of contingent consideration by applying a weighted probability of potential payment outcomes. The calculation of these potential outcomes is dependent on both past financial performance and management assumptions about future performance. If the financial performance measures were all fully met, our maximum liability would be \$25.4 million at December 31, 2016. Contingent consideration liabilities are reassessed each reporting period and are reflected on the Consolidated Balance Sheets as part of Other current liabilities and Other liabilities.

Changes to contingent consideration are reflected in the table below:

In thousands	
Contingent consideration at January 1, 2016	\$ 25,390
Increases due to acquisitions	988
Decrease due to payments	(3,057)
Changes due to foreign currency fluctuations	2,849
Changes in fair value reflected in selling, general, and administrative expenses	(2,051)
Contingent consideration at December 31, 2016	\$ 24,119

Fair Value of Debt: At December 31, 2016, the fair value of the Company's debt obligations was estimated, using Level 2 inputs, at \$2.97 billion compared to a carrying amount of \$2.96 billion. At December 31, 2015, the fair value of the Company's debt obligations was estimated, using Level 2 inputs, at \$3.22 billion compared to a carrying amount of \$3.21 billion. The fair values were estimated using an income approach by applying market interest rates for comparable instruments.

NOTE 5 – INCOME TAXES

The U.S. and International components of income before income taxes consisted of the following for the years ended December 31, 2016, 2015 and 2014:

In thousands	2016	2015	2014
United States	\$ 381,100	\$ 378,815	\$ 441,029
Foreign	(52,955)	32,092	46,539
Total income before income taxes	\$ 328,145	\$ 410,907	\$ 487,568

Significant components of our income tax expense for the years ended December 31, 2016, 2015 and 2014 are as follows:

In thousands			
	2016	2015	2014
Current			
United States - federal	\$ 102,050	\$ 105,941	\$ 118,217
United States - state and local	11,615	15,544	13,023
Foreign	10,601	16,512	14,930
	<u>124,266</u>	<u>137,997</u>	<u>146,170</u>
Deferred			
United States - federal	19,052	23,762	29,730
United States - state and local	(2,466)	2,504	948
Foreign	(20,606)	(21,369)	(15,339)
Foreign - changes in statutory rates	—	—	(2,087)
	<u>(4,020)</u>	<u>4,897</u>	<u>13,252</u>
Total provision	\$ <u>120,246</u>	\$ <u>142,894</u>	\$ <u>159,422</u>

A reconciliation of the income tax provision computed at the federal statutory rate to the effective tax rate for the years ended December 31, 2016, 2015 and 2014 are as follows:

	2016	2015	2014
Federal statutory income tax rate	35.0%	35.0%	35.0%
Effect of:			
State and local taxes, net of federal tax effect	1.6%	3.1%	1.9%
Foreign tax rates	2.1%	(0.4)%	(0.5)%
Change in deferred tax assets from an increase in tax basis of foreign assets	—	(2.2)%	(1.8)%
Other	(2.1)%	(0.7)%	(1.9)%
Effective tax rate	<u>36.6%</u>	<u>34.8%</u>	<u>32.7%</u>

Cash payments for income taxes were \$111.5 million, \$125.1 million, and \$128.1 million for the years ended December 31, 2016, 2015 and 2014, respectively.

Our deferred tax liabilities and assets at December 31, 2016 and 2015 were as follows:

In thousands		
	2016	2015
Deferred tax liabilities:		
Property, plant and equipment	\$ (78,478)	\$ (44,914)
Goodwill and intangibles	(690,387)	(719,789)
Other	(7,906)	(5,747)
Total deferred tax liabilities	<u>(776,771)</u>	<u>(770,450)</u>
Deferred tax assets:		
Accrued liabilities	93,706	69,895
Stock based compensation	17,861	74,794
Net operating tax loss carry-forwards	38,254	37,976
Less: valuation allowance	<u>(15,392)</u>	<u>(17,585)</u>
Total deferred tax assets	<u>134,429</u>	<u>165,080</u>
Net deferred tax liabilities	\$ <u>(642,342)</u>	\$ <u>(605,370)</u>

At December 31, 2016, net operating loss carry-forwards for U.S. federal and state income tax purposes have been fully utilized, excluding net operating loss carry-forwards related to our acquisitions. The net operating loss carry-forwards from foreign and domestic acquisitions are approximately \$121.7 million and certain of these net operating loss carry-forwards begin to expire in 2017. The tax benefit of these net operating losses is approximately \$38.2 million at December 31, 2016, on which a valuation allowance of \$15.4 million was recorded offsetting such tax benefit.

Undistributed earnings of foreign subsidiaries are considered permanently reinvested, and therefore no deferred taxes are recorded thereon. The cumulative amounts of such earnings are approximately \$542.2 million at December 31, 2016, and it is not practicable to estimate the amount of tax that may be payable upon distribution assuming repatriation.

We and our subsidiaries file U.S. federal income tax returns and income tax returns in various states and foreign jurisdictions. With a few exceptions, we are no longer subject to U.S. federal, state, local, or non-U.S. income tax examinations by tax authorities for years before 2011. In 2014, the Internal Revenue Service concluded an audit of our 2010 Corporate Income Tax return with no significant adjustments.

The Company has recorded accruals to cover certain unrecognized tax positions. Such unrecognized tax positions relate to additional taxes that the Company may be required to pay in various tax jurisdictions. During the course of examinations by various taxing authorities, proposed adjustments may be asserted. The Company evaluates such items on a case-by-case basis and adjusts the accrual for unrecognized tax positions as deemed necessary. The estimated amount of the liability associated with the Company's unrecognized tax positions that may significantly increase or decrease within the next twelve months cannot be reasonably estimated.

The total amount of unrecognized tax positions at December 31, 2016 is \$26.7 million. Acquisition activity has contributed to this amount. The amount of unrecognized tax positions that, if recognized, would affect the effective tax rate is approximately \$21.4 million. We recognized interest and penalties accrued related to income tax reserves in the amount of \$1.3 million and \$0.7 million, for the years ended December 31, 2016 and 2015, respectively, as a component of income tax expense.

The following table summarizes the changes in unrecognized tax positions during the years ended December 31, 2016 and 2015:

In thousands	
Unrecognized tax positions, January 1, 2015	\$ 15,095
Gross increases - tax positions in prior periods	7,239
Gross decreases - tax positions in prior periods	(793)
Gross increases - current period tax positions	5,976
Settlement	(200)
Lapse of statute of limitations	<u>(2,375)</u>
Unrecognized tax positions, December 31, 2015	\$ 24,942
Gross increases - tax positions in prior periods	809
Gross increases - current period tax positions	2,876
Settlement	(218)
Lapse of statute of limitations	<u>(1,751)</u>
Unrecognized tax positions, December 31, 2016	<u>\$ 26,658</u>

The table above includes amounts that relate to acquired uncertain tax positions. The securities purchase agreement provides that the seller is liable for and has indemnified Stericycle against all income tax liabilities for periods prior to the acquisition. Stericycle will be responsible for unrecognized tax benefits and related interest and penalties for periods after the acquisition.

NOTE 6 – STOCK BASED COMPENSATION

At December 31, 2016, we had the following incentive stock plans:

- the 2014 Incentive Stock Plan, which our stockholders approved in May 2014;
- the 2011 Incentive Stock Plan, which our stockholders approved in May 2011;
- the 2008 Incentive Stock Plan, which our stockholders approved in May 2008;
- the 2005 Incentive Stock Plan, which our stockholders approved in April 2005;

- the 2000 Non-statutory Stock Option Plan, which expired in February 2010;
- the Employee Stock Purchase Plan ("ESPP"), which our stockholders approved in May 2001.

At December 31, 2016, we have reserved a total of 8,054,670 shares for issuance under these plans.

In terms of the stock options authorized, the 2014 Plan, 2011 Plan, 2008 Plan, and the 2005 Plan provide for the grant of non-statutory stock options ("NSOs"), incentive stock options ("ISOs"), and Restricted Stock Units ("RSUs") intended to qualify under section 422 of the Internal Revenue Code; and the 2000 Plan provides for the grant of NSOs.

The 2014, 2011, 2008 and 2005 Plans authorize awards to our officers, employees and consultants, and following the expiration of the Directors Plan in May 2006, to our directors; and the 2000 Plan authorized awards to our employees and consultants but not to our officers and directors.

The exercise price per share of an option granted under any of our stock option plans may not be less than the closing price of a share of our common stock on the date of grant. The maximum term of an option granted under any plan may not exceed 8 or 10 years. An option may be exercised only when it is vested and, in the case of an option granted to an employee (including an officer), only while he or she remains an employee and for a limited period following the termination of his or her employment. New shares are issued upon exercise of stock options.

Employee Stock Purchase Plan:

In October 2000, our Board of Directors adopted the Employee Stock Purchase Plan ("ESPP"), which our stock holders approved in May 2001, and was made effective as of July 1, 2001. The ESPP authorizes 1,000,000 shares of our common stock, which substantially most employees may purchase through payroll deductions at a price equal to 85% of the lower of the fair market values of the stock as of the beginning or the end of the six-month offering periods. An employee's payroll deductions, and stock purchase, may not exceed \$5,000 during any offering period. During 2016, 2015 and 2014, 89,100 shares, 68,039 shares, and 60,189 shares respectively, were issued through the ESPP. At December 31, 2016, we had 202,364 shares available for issuance under the ESPP plan.

Stock Based Compensation Expense:

During 2016, there were no changes to our stock compensation plans or modifications to outstanding stock-based awards which would change the value of any awards outstanding.

The following table presents the total stock-based compensation expense resulting from stock option awards, RSUs, and the ESPP included on the Consolidated Statements of Income:

In thousands	Years Ended December 31,		
	2016	2015	2014
Cost of revenues - stock option plan	\$ 63	\$ 92	\$ 52
Selling, general and administrative - stock option plan	17,344	18,541	15,214
Selling, general and administrative - RSUs	896	1,484	1,267
Selling, general and administrative - ESPP	2,152	1,633	1,240
Total pre-tax expense	\$ 20,455	\$ 21,750	\$ 17,773

Stock Options:

Options granted to directors vest in one year and options granted to officers and employees generally vest over five years. Expense related to options with graded vesting is recognized using the straight-line method over the vesting period.

Stock option activity for the year ended December 31, 2016, is summarized as follows:

	Number of Options	Weighted Average Exercise Price per Share
Outstanding at beginning of year	5,334,803	\$ 92.02
Granted	1,100,492	110.26
Exercised	(573,799)	65.71
Forfeited	(339,889)	115.07
Canceled or expired	(52,875)	104.98
Outstanding at December 31, 2016	<u>5,468,732</u>	\$ 96.90
Exercisable at December 31, 2016	<u>2,999,940</u>	\$ 83.60

At December 31, 2016, there was \$38.0 million of total unrecognized compensation expense related to stock options, which is expected to be recognized over a weighted average period of 2.88 years.

The following table sets forth the intrinsic value of options exercised for the years ended December 31:

In thousands	2016	2015	2014
Total exercise intrinsic value of options exercised	\$ 25,974	\$ 62,625	\$ 65,884

The exercise intrinsic value represents the total pre-tax intrinsic value (the difference between the fair value on the trading day the option was exercised and the exercise price associated with the respective option).

The following table sets forth the information related to outstanding and exercisable options for the years ended December 31:

	2016	2015	2014
Weighted average remaining contractual life of outstanding options (in years)	5.25	5.70	6.10
Total aggregate intrinsic value of outstanding options (in thousands)	\$ 25,100	\$ 162,400	\$ 269,900
Weighted average remaining contractual life of exercisable options (in years)	4.40	4.70	5.10
Total aggregate intrinsic value of exercisable options (in thousands)	\$ 25,100	\$ 130,600	\$ 178,300

The aggregate intrinsic value represents the total pre-tax intrinsic value (the difference between our closing stock price on the last day of trading for the year ended December 31, 2016 and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders assuming all option holders had exercised their options on December 31, 2016.

Options outstanding and exercisable at December 31, 2016 by price range are presented below:

Range of Exercise Price	Options Outstanding			Options Exercisable	
	Shares	Outstanding Average Remaining Life in Years	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
\$38.57 - \$51.55	688,413	2.54	\$ 49.22	688,413	\$ 49.22
\$52.05 - \$85.00	790,945	3.37	74.35	776,730	74.21
\$85.02 - \$87.04	547,178	5.04	86.25	406,676	86.26
\$87.26 - \$95.74	112,302	4.98	90.15	98,496	89.79
\$95.87 - \$95.87	651,362	6.07	95.87	357,219	95.87
\$96.11 - \$110.14	96,758	7.57	101.37	20,460	101.12
\$111.12 - \$111.12	847,751	7.10	111.12	325	111.12
\$111.20 - \$115.54	135,502	6.48	112.19	99,661	112.25
\$115.69 - \$115.69	660,918	5.12	115.69	268,217	115.69
\$115.82 - \$141.56	<u>937,603</u>	6.42	129.90	<u>283,743</u>	129.58
\$38.57 - \$141.56	<u>5,468,732</u>	5.25	\$ 96.90	<u>2,999,940</u>	\$ 83.60

The Company uses historical data to estimate expected life and volatility. The estimated fair value of stock options at the time of the grant using the Black-Scholes model option pricing model was as follows:

	Years Ended December 31,		
	2016	2015	2014
Stock options granted (shares)	1,100,492	1,056,490	981,583
Weighted average fair value at grant date	\$ 20.16	\$ 22.90	\$ 21.31
Assumptions:			
Expected term (in years)	4.77	4.79	4.76
Expected volatility	18.28%	16.71%	17.23%
Expected dividend yield	—%	—%	—%
Risk free interest rate	1.21%	1.47%	1.53%

Restricted Stock Units:

The fair value of RSUs is based on the closing price of the Company's common stock on the date of grant and is amortized to expense over the service period. RSUs vest at the end of three or five years. Our 2008, 2011 and 2014 Plans include a share reserve related to RSUs granted at a 2-1 ratio.

The following table sets forth the information related to RSUs for the years ended December 31:

	2016	2015	2014
Total aggregate intrinsic value of outstanding units (in thousands)	\$ 8,847	\$ 8,441	\$ 8,337
Per share fair value of units granted	106.01	114.27	115.67

A summary of the status of our non-vested RSUs and changes during the year ended December 31, 2016, are as follows:

	Number of Units	Weighted Average Grant Date	
		Fair Value	
Non-vested at beginning of year	71,451	\$ 101.29	
Granted	78,237	106.01	
Forfeited	(34,850)	102.25	
Non-vested at December 31, 2016	114,838	104.22	

At December 31, 2016, there was \$7.4 million of total unrecognized compensation expense related to RSUs, which is expected to be recognized over a weighted average period of 2.86 years. There were no units that vested during the years ended December 31, 2016 and 2015. The fair value of units that vested during the year ended December 31, 2014 was \$2.0 million.

NOTE 7 – PREFERRED STOCK

At December 31, 2016, we had 1,000,000 authorized shares of preferred stock and 726,500 shares issued and outstanding of mandatory convertible preferred stock. At December 31 2015, we had 1,000,000 authorized shares of preferred stock and 770,000 shares issued and outstanding.

Series A Mandatory Convertible Preferred Stock Offering: On September 15, 2015, we completed a registered public offering of 7,700,000 depository shares, each representing a 1/10th interest in a share of our 5.25% Series A mandatory convertible preferred stock, par value \$0.01 per share (the "Series A Preferred Stock"), at a public offering price of \$100.00 per depository share for total gross proceeds of \$770.0 million.

Unless earlier converted or redeemed, each share of the Series A Preferred Stock will automatically convert into between 5.8716 and 7.3394 shares of our common stock, subject to anti-dilution and other adjustments, on the mandatory conversion date, which is expected to be September 15, 2018. The number of shares of our common

stock issuable on conversion will be determined based on the volume-weighted average price of our common stock over the 20 trading day period commencing on and including the 23rd scheduled trading day prior to September 15, 2018. Subject to certain restrictions, at any time prior to September 15, 2018, holders of the Series A Preferred Stock may elect to convert all or a portion of their shares into common stock at the minimum conversion rate of 5.8716 shares of common stock per share of Series A Preferred Stock, subject to adjustment.

Dividends on shares of the Series A Preferred Stock are payable on a cumulative basis when, as and if declared by our board of directors, or an authorized committee thereof, at an annual rate of 5.25% on the liquidation preference of \$1,000 per share (and, correspondingly, \$100.00 per share with respect to the depository shares). The dividends may be payable in cash, or subject to certain limitations, in shares of our common stock, or any combination of cash and shares of our common stock, on March 15, June 15, September 15 and December 15 of each year, commencing on December 15, 2015, and to, and including, September 15, 2018.

We declared and paid dividends of \$39.4 million to the preferred stock shareholders during 2016.

The following table provides information about our repurchases of depository shares of mandatory convertible preferred stock during the year ended December 31, 2016:

	Number of Depository Shares Repurchased	Amount Paid for Repurchases (in thousands)	Average Price Paid per Share
Three months ended June 30, 2016	65,000	\$ 5,025	\$ 77.31
Three months ended September 30, 2016	265,000	19,238	72.60
Three months ended December 31, 2016	<u>105,000</u>	<u>6,647</u>	<u>63.30</u>
Total	435,000	\$ 30,910	\$ 71.06

Repurchases of our mandatory convertible preferred stock resulted in a \$11.3 million increase to Retained earnings, because we redeemed the preferred stock at a discount. The 435,000 depository shares are equivalent to 43,500 units of preferred stock.

NOTE 8 – EARNINGS PER COMMON SHARE

Basic earnings per share is computed by dividing income available to common shareholders by the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share is computed by dividing income available to common shareholders by the weighted-average number of shares of common stock outstanding during the period increased to include the number of additional shares of common stock that would have been outstanding if the potentially dilutive securities had been issued. Potentially dilutive securities include outstanding stock options, shares to be purchased under the Company's employee stock purchase plan, RSUs, and the assumed conversion of mandatory convertible preferred stock. The effect of potentially dilutive securities is reflected in diluted earnings per share by application of the "treasury stock method" for outstanding restricted stock awards and stock options. Under the treasury stock method, an increase in the fair market value of the Company's common stock can result in a greater dilutive effect from potentially dilutive securities. For the issue of the mandatory convertible preferred stock, we use the "if-converted method." Under the if-converted method, the preferred dividend applicable to convertible preferred stock is added back as an adjustment to the numerator. The mandatory convertible preferred shares are assumed to be converted to common shares at the beginning of the period or, if later, at the time of issuance, and the resulting common shares are included in the denominator. In applying the if-converted method, conversion shall not be assumed for purposes of computing diluted EPS if the effect would be anti-dilutive. The numerator is also adjusted for any premium or discount arising from redemption of the preferred stock.

The following table sets forth the computation of basic and diluted earnings per share:

In thousands, except share and per share data	Years Ended December 31,		
	2016	2015	2014
Numerator:			
Net income attributable to Stericycle, Inc.	\$ 206,359	\$ 267,046	\$ 326,456
Mandatory convertible preferred stock dividend	39,414	10,106	—
Gain on repurchase of preferred stock	(11,285)	—	—
Numerator for basic earnings per share attributable to Stericycle, Inc. common shareholders	178,230	256,940	326,456
Denominator:			
Denominator for basic earnings per share - weighted average shares	84,932,402	84,944,841	84,932,792
Effect of diluted securities:			
Employee stock options	677,817	1,217,768	1,300,820
Mandatory convertible preferred stock (1)	—	—	—
Denominator for diluted earnings per share - adjusted weighted average shares and after assumed exercises	85,610,219	86,162,609	86,233,612
Earnings per share – Basic	\$ 2.10	\$ 3.02	\$ 3.84
Earnings per share – Diluted	\$ 2.08	\$ 2.98	\$ 3.79

- (1) In 2016, the weighted average common shares issuable upon the assumed conversion of the mandatory convertible preferred stock totaling 5,528,257 shares were excluded from the computation of diluted earnings per share as such conversion would have been anti-dilutive.

In 2016, 2015 and 2014, options to purchase 3,411,370 shares, 818,093 shares, and 830,755 shares, respectively, at exercise prices of \$83.49-\$141.56, \$117.09-\$141.56, and \$105.12-\$132.95 were not included in the computation of diluted earnings per share because the effect would have been anti-dilutive.

In 2016, 48,042 RSUs were not included in the computation of diluted earnings per share because the effect would have been anti-dilutive.

NOTE 9 – ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table sets forth the changes in the components of accumulated other comprehensive income for 2016, 2015 and 2014:

In thousands	Currency Translation	Unrealized Gains	Accumulated Other
	Adjustments	(Losses) on Cash Flow Hedges	Comprehensive Income/ (Loss)
Beginning balance at January 1, 2014	\$ (55,010)	\$ (1,458)	\$ (56,468)
Period change	(80,221)	(1,730)	(81,951)
Ending balance at December 31, 2014	\$ (135,231)	\$ (3,188)	\$ (138,419)
Period change	(140,809)	(3,403)	(144,212)
Ending balance at December 31, 2015	\$ (276,040)	\$ (6,591)	\$ (282,631)
Period change	(86,340)	1,328	(85,012)
Ending balance at December 31, 2016	\$ (362,380)	\$ (5,263)	\$ (367,643)

During the years ended December 31, 2016, 2015 and 2014, the net tax impact of the unrealized gains/ (losses) on cash flow hedges in accumulated other comprehensive income was \$(0.8) million, \$2.2 million, and \$0.6 million, respectively. Translation adjustments are not tax-effected as the Company's net investment in foreign subsidiaries and all related foreign earnings are deemed permanently invested.

NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at December 31, 2016 and 2015 consisted of the following:

In thousands	2016	2015
Land and improvements	\$ 66,335	\$ 65,621
Building and improvements	197,608	166,874
Machinery and equipment	314,288	314,252
Vehicles	173,169	136,379
Containers	226,733	190,454
Office equipment and furniture	146,780	117,632
Software	38,886	46,979
Construction in progress	55,310	53,430
Total property, plant & equipment	1,219,109	1,091,621
Less: accumulated depreciation	(495,215)	(426,019)
Property, plant and equipment, net	\$ 723,894	\$ 665,602

NOTE 11 – GOODWILL AND OTHER INTANGIBLE ASSETS*Goodwill:*

As discussed in Note 15 – Segment Reporting, we changed the composition of our operating segments. Due to these changes, part of our Domestic Regulated Waste and Compliance Services operating segment was combined with the legacy Domestic Regulated Recall and Returns Management Services operating segment to form a new operating segment, Domestic Communication and Related Services (“Domestic CRS”) in Q2 2016 and the Domestic Regulated Waste and Compliance Solutions operating segment (“Domestic RCS”) will now become Domestic and Canada Regulated Waste and Compliance services. The operations in Canada had previously been reported as part of the International RCS operating segment.

In Q4, we determined that our former International RCS reporting unit should be disaggregated into three new reporting units for goodwill impairment testing purposes which is one level below the operating segment (referred to as a “component”). In addition, the four components of the Domestic and Canada RCS operating segment will now be the reporting units. This was primarily a result of some of the business and economic challenges we have recently faced in M&I and internationally. As a result of the changes, goodwill from the former International RCS reporting unit was reallocated to the four new reporting units including Canada based on their relative fair values. We completed a similar reallocation of goodwill for the new Domestic and Canada RCS reporting units.

Due to the establishment of the new reporting units in Q4 2016 and the change in our annual goodwill impairment testing date discussed in Note 2 – Summary of Significant Accounting Policies, we performed a goodwill impairment evaluation for all reporting units as of October 1, 2016. There was no impairment of goodwill because the fair value of those reporting units exceeded their carrying values. We also tested the former reporting units for goodwill impairment immediately prior to the establishment of the new reporting units and there was no impairment of goodwill.

The changes in the carrying amount of goodwill since January 1, 2015, by reportable segment and for the "Other" category, were as follows:

In thousands

	Domestic and Canada			Total
	RCS	International RCS	Other	
Balance at January 1, 2015 (1)	\$ 1,638,529	\$ 521,338	\$ 258,965	\$ 2,418,832
Goodwill acquired during year	1,231,219	192,737	26,994	1,450,950
Purchase accounting adjustments	(8,072)	(17,221)	(2,984)	(28,277)
Other changes	—	(440)	—	(440)
Changes due to foreign currency fluctuations	(18,965)	(63,923)	—	(82,888)
Balance at December 31, 2015	2,842,711	632,491	282,975	3,758,177
Goodwill acquired during year	41,517	8,381	2,871	52,769
Purchase accounting adjustments	(77,247)	(78,894)	(5,048)	(161,189)
Goodwill write-offs related to disposition and assets held for sale	—	(7,486)	—	(7,486)
Changes due to foreign currency fluctuations	4,820	(56,071)	—	(51,251)
Balance at December 31, 2016	\$ 2,811,801	\$ 498,421	\$ 280,798	\$ 3,591,020

- (1) The January 1, 2015 balances have been recast to reflect the new organizational structure. Domestic and Canada RCS goodwill from the International RCS and Other includes resulting from the changes described.

Other Intangible Assets:

At December 31, 2016 and 2015, the values of other intangible assets were as follows:

In thousands	2016			2015		
	Gross Carrying Amount	Accumulated Amortization	Net Value	Gross Carrying Amount	Accumulated Amortization	Net Value
Amortizable intangibles:						
Customer relationships	\$ 1,553,398	\$ 261,306	\$ 1,292,092	\$ 1,304,388	\$ 144,020	\$ 1,160,368
Covenants not-to-compete	9,491	6,371	3,120	6,878	5,141	1,737
Tradenames	5,708	1,365	4,343	3,819	948	2,871
Other	19,076	2,526	16,550	18,902	916	17,986
Indefinite lived intangibles:						
Operating permits	229,396	—	229,396	233,101	—	233,101
Tradenames	316,472	—	316,472	426,498	—	426,498
Total	\$ 2,133,541	\$ 271,568	\$ 1,861,973	\$ 1,993,586	\$ 151,025	\$ 1,842,561

The changes in the carrying amount of intangible assets since January 1, 2015 were as follows:

In thousands	Total
Balance as of January 1, 2015	\$ 909,645
Intangible assets acquired during the year	1,016,775
Valuation adjustments for prior year acquisitions	35,241
Impairments during the year	(4,177)
Amortization during the year	(45,498)
Changes due to foreign currency fluctuations	(69,425)
Balance as of December 31, 2015	1,842,561
Intangible assets acquired during the year	35,564
Valuation adjustments for prior year acquisitions	168,979
Intangible write-offs due to disposition and assets held for sale	(15,961)
Impairments during the year	(1,406)
Amortization during the year	(129,300)
Changes due to foreign currency fluctuations	(38,464)
Balance at December 31, 2016	\$ 1,861,973

Our indefinite-lived intangible assets include permits and certain tradenames. We have determined that our permits and certain tradenames have indefinite lives due to our ability to renew them with minimal additional cost, and therefore these are not amortized. We changed our annual impairment testing date for indefinite-lived intangibles from December 31 to October 1 as described in Note 2 – Summary of Significant Accounting Policies. In 2016 and 2015, we recognized \$1.4 million and \$4.2 million, respectively, of impairment charge as part of SG&A on the Consolidated Statements of Income as a result of the testing performed.

Our finite-lived intangible assets are amortized over their useful lives. We have determined that our customer relationships have useful lives ranging from 5 to 40 years based upon the type of customer and a weighted average remaining useful life of 15.2 years. We have covenants not-to-compete intangibles with useful lives ranging from 5 to 14 years and a weighted average remaining useful life of 3.5 years. We have tradename intangibles with useful lives ranging from 10 to 40 years and a weighted average remaining useful life of 17.6 years. Other intangibles mainly consist of landfill air rights with a weighted average remaining useful life of 17.4 years.

During the years ended December 31, 2016, 2015 and 2014, the aggregate intangible amortization expense was \$129.3 million, \$45.5 million and \$32.7 million, respectively.

The estimated amortization expense for each of the next five years is as follows for the years ended December 31:

In thousands	Total
2017	\$ 116,265
2018	116,127
2019	115,738
2020	115,045
2021	113,919

The estimates for amortization expense noted above are based upon foreign exchange rates at December 31, 2016.

NOTE 12 – ACCRUED LIABILITIES

Accrued liabilities at December 31, 2016 and 2015 consisted of the following items:

In thousands		
	2016	2015
Accrued compensation	\$ 64,586	\$ 62,721
Accrued insurance	53,637	43,390
Accrued taxes	18,289	27,363
Accrued interest	14,123	13,829
Accrued professional services liabilities	10,109	6,948
Accrued liabilities - other	67,782	43,078
Total accrued liabilities	<u>\$ 228,526</u>	<u>\$ 197,329</u>

NOTE 13 – DEBT

Long-term debt consisted of the following at December 31:

In thousands		
	2016	2015
Obligations under capital leases	\$ 11,121	\$ 15,024
\$1.2 billion senior credit facility weighted average rate 2.14%, due in 2019	407,119	353,763
\$1.0 billion term loan weighted average rate 2.07%, due in 2020	1,000,000	1,250,000
\$175 million private placement notes 3.89%, due in 2017	175,000	175,000
\$125 million private placement notes 2.68%, due in 2019	125,000	125,000
\$225 million private placement notes 4.47%, due in 2020	225,000	225,000
\$150 million private placement notes 2.89%, due in 2021	150,000	150,000
\$125 million private placement notes 3.26%, due in 2022	125,000	125,000
\$200 million private placement notes 2.72%, due in 2022	200,000	200,000
\$100 million private placement notes 2.79%, due in 2023	100,000	100,000
\$150 million private placement notes 3.18%, due in 2023	150,000	150,000
Promissory notes and deferred consideration weighted average rate of 2.43% and weighted average maturity of 3.2 years	191,648	239,731
Foreign bank debt weighted average rate 6.51% and weighted average maturity of 2.1 years	99,428	105,530
Total debt	<u>2,959,316</u>	<u>3,214,048</u>
Less: current portion of total debt	72,822	161,409
Less: unamortized debt issuance costs	9,179	12,287
Long-term portion of total debt	<u>\$ 2,877,315</u>	<u>\$ 3,040,352</u>

Our senior credit facility, term loan, and the private placement notes all require us to comply with the same financial, reporting and other covenants and restrictions, including a restriction on dividend payments. At December 31, 2016, we were in compliance with all of our financial debt covenants. Our senior credit facility, term loan, and the private placement notes rank pari passu to each other and all other unsecured debt obligations.

At December 31, 2016 and 2015, we had \$138.0 million and \$160.4 million, respectively, committed to outstanding letters of credit under our senior credit facility. The unused portion of the revolving credit facility was \$654.9 million and \$685.8 million at December 31, 2016 and 2015, respectively.

We classified our \$175.0 million private placement notes that mature in October 2017 as long-term debt due to our intent to settle this obligation by borrowing on the available and unused capacity on our \$1.2 billion senior credit facility due in 2019.

Payments due on long-term debt, excluding capital lease obligations, during each of the five years subsequent to December 31, 2016 are as follows:

<u>In thousands</u>	
2017	\$ 70,017
2018	208,328
2019	1,044,598
2020	878,011
2021	161,474
Thereafter	585,767
	<u>\$ 2,948,195</u>

During the years ended December 31, 2016, 2015 and 2014, we paid interest of \$88.8 million, \$68.0 million, and \$57.8 million for the, respectively.

Property under capital leases included within property, plant and equipment on the Consolidated Balance Sheets is as follows at December 31:

<u>In thousands</u>	<u>2016</u>		<u>2015</u>	
Land	\$	151	\$	157
Buildings		775		804
Machinery and equipment		6,634		6,105
Vehicles		9,907		15,925
Less: accumulated depreciation		(5,523)		(7,148)
	\$	<u>11,944</u>	\$	<u>15,843</u>

Amortization related to these capital leases is included within depreciation expense.

Minimum future lease payments under capital leases are as follows:

<u>In thousands</u>	
2017	\$ 3,692
2018	2,759
2019	2,614
2020	2,093
2021	2,119
Thereafter	106
Total minimum lease payments	13,383
Less: amounts representing interest	(2,262)
Present value of net minimum lease payments	11,121
Less: current portion included in current portion of long-term debt	(2,805)
Long-term obligations under capital leases	<u>\$ 8,316</u>

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Environmental Remediation Liabilities

We record a liability for environmental remediation when such liability becomes probable and the costs or damages can be reasonably estimated. We accrue environmental remediation costs, on an undiscounted basis, associated with identified sites where an assessment has indicated that cleanup costs are probable and can be reasonably estimated, but the timing of such payments is not fixed and determinable. Such accruals are based on currently available information, estimated timing of remedial actions, existing technology, and enacted laws and

regulations. The liability for environmental remediation is included on the Consolidated Balance Sheets in current liabilities within Accrued liabilities and in noncurrent liabilities with Other liabilities.

At December 31, 2016 and 2015, the total environmental remediation liabilities recorded were \$30.9 million and \$30.8 million of which \$2.4 million and \$2.1 million were presented in Accrued liabilities on the Consolidated Balance Sheets, respectively. We project costs over approximately 30 years.

Operating Lease Commitments

We lease various plant equipment, office furniture and equipment, motor vehicles, office and warehouse space, and landfills under operating lease agreements, which expire at various dates. Operating lease obligations expire at various dates with the latest maturity in 2035. The leases for most of the properties contain renewal provisions.

During the years ended December 31, 2016, 2015 and 2014, rent expense was \$181.6 million, \$139.0 million, and \$111.5 million, respectively, included within COR & SG&A on the Consolidated Statements of Income.

Minimum future rental payments under non-cancelable operating leases that have initial or remaining terms in excess of one year at December 31, 2016 for each of the next five years and in the aggregate are as follows:

In thousands	
2017	\$ 116,473
2018	96,215
2019	78,587
2020	59,571
2021	43,858
Thereafter	63,383
	\$ 458,087

Unconditional Purchase Commitments

The Company has entered into non-cancelable arrangements with third-parties, primarily related to information technology products and services. As of December 31, 2016, future payments under these contractual obligations, not recognized in the Consolidated Balance Sheets, were as follows:

In thousands	
2017	\$ 31,840
2018	16,370
2019	15,989
2020	15,855
2021	—
Thereafter	—
	\$ 80,054

NOTE 15 – SEGMENT REPORTING

In 2016, we made certain changes to our organizational structure to integrate the domestic and international operations of our 2015 Shred-it acquisition. During Q2 2016, we also changed the composition of our operating segments to further align our compliance and communication services. Due to this change, part of our Domestic Regulated Waste and Compliance Services operating segment was combined with the legacy Domestic Regulated Recall and Returns Management Services operating segment to form a new operating segment, Domestic Communication and Related Services (“Domestic CRS”).

In Q4 2016, we made an additional change to our organizational structure and management reporting. As a result of these changes, our Domestic Regulated Waste and Compliance Services (“Domestic RCS”) segment will now also be responsible for the operations in Canada. The operations in Canada had previously been reported as part of the International RCS operating segment. As a result of these changes our Domestic RCS operating segment will now become (“Domestic and Canada RCS”).

Domestic CRS does not meet the quantitative criteria to be a separate reportable segment and therefore is included in All other. Beginning in Q4 2016, costs related to our corporate headquarter functions are also included in All other.

Our three operating segments are:

- Domestic and Canada RCS,
- Domestic CRS, and
- International RCS.

Our Domestic and Canada, and International Regulated Waste and Compliance Services segments include medical waste disposal, pharmaceutical waste disposal, hazardous waste management, sustainability solutions for expired or unused inventory, secure information destruction of documents and e-media, training and consulting through our Steri-Safe® and Clinical Services programs, and other regulatory compliance services.

Our Domestic Communication and Related Services segment consists of inbound/outbound communication, automated patient reminders, online scheduling, notifications, product retrievals, product returns, and quality audits.

Our two reportable segments are:

- Domestic and Canada RCS,
- International RCS.

In connection with changes made to our management reporting to align with the new operating segments, we have also changed our measure of segment profit to earnings before interest, tax and amortization (“EBITA”), adjusted for various items. As a result of these changes in segment reporting, all historical segment information has been revised to conform to the new presentation.

The following tables show financial information for the Company's reportable segments:

In thousands	Years Ended December 31,		
	2016	2015	2014
Revenues			
Domestic and Canada RCS	\$ 2,508,865	\$ 1,999,196	\$ 1,667,353
International RCS	751,677	716,771	663,889
All other	301,800	269,941	224,359
Total	<u>\$ 3,562,342</u>	<u>\$ 2,985,908</u>	<u>\$ 2,555,601</u>
Gross Profit			
Domestic and Canada RCS	\$ 1,124,815	\$ 912,220	\$ 772,518
International RCS	228,484	230,323	216,377
All other	148,655	123,642	105,516
Total	<u>\$ 1,501,954</u>	<u>\$ 1,266,185</u>	<u>\$ 1,094,411</u>
Amortization			
Domestic and Canada RCS	\$ 95,640	\$ 22,714	\$ 12,728
International RCS	25,730	14,926	13,298
All other	7,930	7,858	6,666
Total	<u>\$ 129,300</u>	<u>\$ 45,498</u>	<u>\$ 32,692</u>
EBITA			
Domestic and Canada RCS	\$ 688,161	\$ 631,395	\$ 594,204
International RCS	58,027	89,064	98,494
All other	(18,564)	(12,982)	(44,683)
Total	<u>\$ 727,624</u>	<u>\$ 707,477</u>	<u>\$ 648,015</u>
Total Assets			
Domestic and Canada RCS	\$ 5,094,107	\$ 4,913,485	\$ 2,616,751
International RCS	1,357,047	1,636,382	1,291,671
All other	528,907	515,296	464,880
Total	<u>\$ 6,980,061</u>	<u>\$ 7,065,163</u>	<u>\$ 4,373,302</u>

The following table reconciles the Company's primary measure of segment profitability (EBITA) to income from operations:

In thousands	Years Ended December 31,		
	2016	2015	2014
Domestic and Canada RCS EBITA	\$ 688,161	\$ 631,395	\$ 594,204
International RCS EBITA	58,027	89,064	98,494
Subtotal reportable segments	746,188	720,459	692,698
All other EBITA	(18,564)	(12,982)	(44,683)
Amortization expenses	(129,300)	(45,498)	(32,692)
Acquisition expenses	(9,646)	(39,138)	(13,333)
Integration expenses	(87,587)	(51,689)	(25,968)
Litigation and professional services expenses	(12,904)	(59,651)	(6,574)
Change in fair value of contingent consideration	2,051	640	1,452
Restructuring and plant conversion expenses	(3,986)	(22,748)	(14,564)
Contract exit costs	(24,005)	—	—
Asset impairment charges	(28,472)	(1,781)	—
Income from operations	<u>\$ 433,775</u>	<u>\$ 487,612</u>	<u>\$ 556,336</u>

The following table shows consolidated revenue by service:

In thousands	Years Ended December 31,		
	2016	2015	2014
Regulated Waste and Compliance Services	\$ 2,061,416	\$ 2,064,866	\$ 1,955,761
Secure Information Destruction Services	747,510	178,085	—
Communication and Related Services	370,500	334,142	268,565
Manufacturing and Industrial Services	<u>382,916</u>	<u>408,815</u>	<u>331,275</u>
Revenues	\$ <u>3,562,342</u>	\$ 2,985,908	\$ 2,555,601

Geographic Data

The following table shows consolidated revenue and property, plant and equipment split geographically:

In thousands	Years Ended December 31,		
	2016	2015	2014
Revenues			
United States	\$ 2,657,452	\$ 2,165,030	\$ 1,788,390
International:			
Europe	485,975	441,231	407,082
Other international countries	<u>418,915</u>	<u>379,647</u>	<u>360,129</u>
Total international	<u>904,890</u>	<u>820,878</u>	<u>767,211</u>
Total	\$ <u>3,562,342</u>	\$ 2,985,908	\$ 2,555,601
Long-Lived Assets			
United States	\$ 499,070	\$ 434,202	\$ 284,788
International:			
Europe	89,007	95,771	70,621
Other international countries	<u>135,817</u>	<u>135,629</u>	<u>104,999</u>
Total international	<u>224,824</u>	<u>231,400</u>	<u>175,620</u>
Total	\$ <u>723,894</u>	\$ 665,602	\$ 460,408

NOTE 16 – EMPLOYEE BENEFIT PLAN

We have two 401(k) defined contribution retirement savings plans (the “plan(s)”), one of which was part of the recent Shred-it acquisition, covering substantially all domestic employees. The following describes our two domestic plans:

- Each participant may elect to defer a portion of his or her compensation subject to certain limitations. The Company may contribute up to 50% of compensation contributed to the plan by each employee up to a maximum of \$2,000. During the years ended December 31, 2016, 2015 and 2014, our contributions were \$5.9 million, \$4.8 million, and \$3.6 million, respectively.
- Each participant may elect to defer a portion of his or her compensation subject to certain limitations. The Company may contribute up to 100% of the first 3% of the employee's eligible earnings, plus up to 50% of the next 2% of the employee's eligible earnings, subject to IRS limits. Our contributions for the years ended December 31, 2016 and 2015 were \$3.3 million and \$0.9 million, respectively.

The Company has several foreign defined contribution plans, which require the Company to contribute a percentage of the participating employee's salary according to local regulations. During the years ended December 31, 2016, 2015 and 2014, total contributions made by the Company for these plans were approximately \$2.6 million, \$2.1 million, and \$1.9 million, respectively.

NOTE 17 – LEGAL PROCEEDINGS

We operate in a highly regulated industry and must deal with regulatory inquiries or investigations from time to time that may be initiated for a variety of reasons. We are also involved in a variety of civil litigation from time to time.

The Company establishes an accrued liability for loss contingencies related to legal and regulatory matters when the loss is both probable and reasonably estimable. If a loss is not probable or a probable loss is not reasonably estimable, no liability is recorded. These accruals represent management's best estimate of probable losses and, in such cases, there may be an exposure to loss in excess of the amounts accrued. Legal and regulatory matters inherently involve significant uncertainties based on, among other factors, the stage of the proceedings, developments in the applicable facts or law, and the unpredictability of the ultimate determination of the merits of any claim, any defenses the Company may assert against that claim and the amount of any damages that may be awarded. The Company's accrued liabilities for loss contingencies related to legal and regulatory matters may change in the future as a result of new developments, including, but not limited to, the occurrence of new legal matters, changes in the law or regulatory environment, adverse or favorable rulings, newly discovered facts relevant to the matter, or changes in the strategy for the matter. Regardless of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors.

Class Action Lawsuits. As we have previously disclosed, we were served on March 12, 2013 with a class action complaint filed in the U.S. District Court for the Western District of Pennsylvania by an individual plaintiff for itself and on behalf of all other "similarly situated" customers of ours. The complaint alleges, among other things, that we imposed unauthorized or excessive price increases and other charges on our customers in breach of our contracts and in violation of the Illinois Consumer Fraud and Deceptive Business Practices Act. The complaint sought certification of the lawsuit as a class action and the award to class members of appropriate damages and injunctive relief.

The Pennsylvania class action complaint was filed in the wake of a settlement with the State of New York of an investigation under the New York False Claims Act which arose out of the qui tam (or "whistle blower") action captioned United States of America ex rel. Jennifer D. Perez v. Stericycle, Inc., Case No. 1:08-cv-2390 which was settled in the fourth quarter of 2015 as previously disclosed.

Following the filing of the Pennsylvania class action complaint, we were served with class action complaints filed in federal and state courts in several jurisdictions. These complaints asserted claims and allegations substantially similar to those made in the Pennsylvania class action complaint. All of these cases appear to be follow-on litigation to our settlement with the State of New York. On August 9, 2013, the Judicial Panel on Multidistrict Litigation granted our Motion to Transfer these related actions to the United States District Court for the Northern District of Illinois for centralized pretrial proceedings (the "MDL Action"). On December 10, 2013, we filed our answer to the Amended Consolidated Class Action Complaint in the MDL Action, generally denying the allegations therein. Plaintiffs subsequently filed a Second Amended Consolidated Complaint on March 8, 2016, and we filed an answer to that pleading on March 25, 2016, generally denying the allegations therein and asserting a variety of affirmative defenses.

Plaintiffs filed a motion for class certification on January 29, 2016. On February 16, 2017, the Court entered an order granting Plaintiffs' motion for class certification. The Court certified a class of "[a]ll persons and entities that, between March 8, 2003 through the date of trial resided in the United States (except Washington and Alaska), were identified by Stericycle as 'Small Quantity' or 'SQ' customer, and were charged and paid more than their contractually-agreed price for Stericycle's medical waste disposal good and services pursuant to Stericycle's automated price increase policy. Governmental entities whose claims were asserted in United States ex rel. Perez v. Stericycle Inc. shall be excluded from the class." The case remains ongoing.

We believe that we have operated in accordance with the terms of our customer contracts and that these complaints are without merit. We will continue to vigorously defend ourselves against each of these lawsuits.

We have not accrued any amounts in respect of these class action lawsuits, and we cannot estimate the reasonably possible loss or the range of reasonably possible losses that we may incur. We are unable to make such an estimate because (i) litigation is by its nature uncertain and unpredictable, (ii) we do not know whether the class currently certified by the Court will remain certified through trial and judgment, or whether or how the class definition might be altered, (iii) we do not know how many individual plaintiffs will be determined to meet the court's definition of the class, (iv) we do not know what the ultimate disposition on the merits of any class claim as well as our defenses to that claim may be, and (v) in our judgment, the factual and legal allegations asserted by plaintiffs are sufficiently unique that we are unable to identify other proceedings with circumstances sufficiently comparable to provide guidance in making estimates.

Securities Class Action Lawsuit. On July 11, 2016, two purported stockholders filed a putative class action complaint in the U.S. District Court for the Northern District of Illinois. The plaintiffs purported to sue for themselves and on behalf of all purchasers of our publicly traded securities between February 7, 2013 and April 28, 2016, inclusive, and all those who purchased securities in our public offering of depositary shares, each representing a 1/10th interest in a share of our mandatory convertible preferred stock, on or around September 15, 2015. The complaint named as defendants the Company, our directors and certain of our current and former officers, and certain of the underwriters in the public offering. The complaint purports to assert claims under Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 and Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as well as SEC Rule 10b-5, promulgated thereunder. The complaint alleges, among other things, that the Company imposed unauthorized or excessive price increases and other charges on its customers in breach of its contracts, and that defendants failed to disclose those alleged practices in public filings and other statements issued during the proposed class period beginning February 7, 2013 and ending April 28, 2016.

On August 4, 2016, plaintiffs filed an Amended Complaint that purports to assert additional misrepresentations in public statements through July 28, 2016, and therefore to change the putative class period to the period from February 7, 2013 to July 28, 2016, inclusive. On October 21, 2016, plaintiffs filed a Corrected Amended Complaint adding the Company as a named defendant in plaintiff's claim under Section 11 of the Securities Act, which had previously been asserted only against the Underwriters and certain officers and directors.

On November 1, 2016, the Court appointed the Public Employees' Retirement System of Mississippi and the Arkansas Teacher Retirement System as Lead Plaintiffs and their counsel as Lead Counsel. On February 1, 2017, Lead Plaintiff filed a Consolidated Amended Complaint with additional purported factual material supporting the same legal claims from the prior complaints. Under the Court's current schedule, defendants have until April 1, 2017 to answer or file a motion to dismiss the action.

We intend to vigorously defend ourselves against this lawsuit.

We have not accrued any amounts in respect of this lawsuit, and we cannot estimate the reasonably possible loss or the range of reasonably possible losses that we may incur. We are unable to make such an estimate because (i) litigation is by its nature uncertain and unpredictable, (ii) we do not know whether the court will certify any class of plaintiffs or, if any class is certified, how the class would be defined, and (iii) in our judgment, the factual and legal allegations asserted by plaintiffs are sufficiently unique that we are unable to identify other proceedings with circumstances sufficiently comparable to provide guidance in making estimates.

Shareholder Derivative Lawsuit. On September 1, 2016, a purported stockholder filed a putative derivative action complaint in the Circuit Court of Cook County, Illinois against certain officers and directors of the Company, naming the Company as nominal defendant. The complaint alleges that defendants breached their fiduciary duties to the Company and its stockholders by causing the Company to allegedly overcharge certain customers in breach of those customers' contracts, otherwise provide unsatisfactory customer service and injure customer relationships, and make materially false and misleading statements and omissions regarding the Company's business, operational and compliance policies between February 7, 2013 and the present. On March 1, 2017,

another purported stockholder filed a putative derivative action complaint containing substantially similar allegations in the Circuit Court of Cook County, Illinois against certain officers and directors of the Company, naming the Company as nominal defendant. The Company notes, among other things, that both of these filings are in violation of the Company's Bylaws, which require any such actions to be brought in a court in Delaware. None of the defendants in either of these derivative actions has been served with the applicable complaint.

We have not accrued any amounts in respect of these lawsuits, and we cannot estimate the reasonably possible loss or the range of reasonably possible losses that we may incur. We are unable to make such an estimate because (i) litigation is by its nature uncertain and unpredictable and (ii) in our judgment, the factual and legal allegations asserted by plaintiffs are sufficiently unique that we are unable to identify other proceedings with circumstances sufficiently comparable to provide guidance in making estimates.

Shareholder Demand Letter. On October 18, 2016, the Company received a letter from an attorney purporting to represent a current stockholder of the Company demanding, pursuant to Del. Ct. Ch. R. 23.1, that the Company's Board of Directors take action to remedy alleged breaches of fiduciary duties by certain officers and directors of the Company. The factual allegations set forth in the letter are similar to those asserted in the Securities Class Action Lawsuit and the Shareholder Derivative Lawsuit. The letter asserts breaches of fiduciary duty in connection with the management, operation and oversight of the Company's business and in connection with alleged false, misleading and/or incomplete statements regarding the Company's business practices.

The Company's Board of Directors has constituted a Special Demand Review Committee to investigate the claims made in the demand letter, which investigation is ongoing.

TCPA Lawsuit. On June 3, 2016, a plaintiff filed a putative class action, captioned Ibrahim v. Stericycle, Inc., No. 16-cv-4294 (N.D. Ill.), against us and our wholly-owned subsidiary, Stericycle Communication Solutions, Inc., under the Telephone Consumer Protection Act ("TCPA"), asserting that the defendants called plaintiff and others in violation of that statute. Plaintiff challenges our use of pre-recorded messages that urge the owners of recalled products to return or obtain repairs for those products.

Plaintiff seeks certification of two nationwide classes. One class includes people who received one or more cellular telephone calls from Stericycle featuring a prerecorded or artificial voice message relating to a product recall, where the called party was not the same individual who, according to Stericycle's records, was the intended recipient of the call. The second class includes people who received one or more cellular telephone calls from Stericycle featuring a prerecorded or artificial voice message relating to a product recall after such person had communicated to Stericycle that Stericycle did not have consent to make any such calls to their cellular telephone number.

On July 28, 2016, we answered the complaint, denying the material allegations and raising certain affirmative defenses. Among the asserted defenses is the "emergency" exception to the TCPA, which exempts calls made to promote public health and safety. On December 19, 2016, before any substantial discovery in the case, we filed a motion for summary judgment primarily on the basis of the "emergency" exception. On February 1, 2017, plaintiff responded to our motion by requesting additional discovery. The court has responded that it will permit some but not all of the requested discovery.

We have not accrued any amounts in respect of this lawsuit, and we cannot estimate the reasonably possible loss or the range of reasonably possible losses that we may incur. We are unable to make such an estimate because (i) litigation is by its nature uncertain and unpredictable, (ii) we do not know whether the court will certify any class of plaintiffs or, if any class is certified, how the class would be defined, and (iii) in our judgment, the factual and legal allegations asserted by plaintiff are sufficiently unique that we are unable to identify other proceedings with circumstances sufficiently comparable to provide guidance in making estimates.

Environmental Matters. Our Environmental Solutions business is regulated by federal, state and local laws enacted to regulate the discharge of materials into the environment, remediate contaminated soil and groundwater or otherwise protect the environment. As a result of this continuing regulation, we frequently become a party to legal

or administrative proceedings involving various governmental authorities and other interested parties. The issues involved in these proceedings generally relate to alleged violations of existing permits and licenses or alleged responsibility under federal or state Superfund laws to remediate contamination at properties owned either by us or by other parties to which either we or the prior owners of certain of its facilities shipped wastes. From time to time, we may be subject to fines or penalties in regulatory proceedings relating primarily to waste treatment, storage or disposal facilities. We believe that the fines or other penalties that we may pay in connection with any pending regulatory proceedings of this nature will not, individually or in the aggregate, be material to our financial statements.

On February 29, 2016, we entered into a statute of limitations tolling agreement with the United States Attorney's Office for the District of Utah relating to that Office's investigation of the same facts underlying the notice of violation (the "NOV") issued by the State of Utah Division of Air Quality (the "DAQ") that resulted in our December 2014 settlement with the DAQ that we have previously disclosed. The U.S. Attorney's Office is investigating whether the matters forming the basis of the NOV constitute violations of the Clean Air Act and other federal statutes. On February 7, 2017, we extended the tolling agreement to April 30, 2017. Under the tolling agreement as extended, the period from March 1, 2016 through April 30, 2017 will be excluded from any calculation of time for the purpose of determining the statute of limitations concerning any charges that we violated federal statutes. The agreement does not constitute an admission of guilt or wrongdoing on our part and cannot be construed as a waiver of any other rights or defenses that we may have in any resulting action or proceeding. We will continue to cooperate with the investigation.

On April 8, 2016, the State of Missouri through the Missouri Department of Natural Resources ("MDNR") filed an Amended Verified Petition in the Circuit Court of the City of St. Louis, Missouri alleging that we had violated certain provisions of the Solid Waste Permit relating to our facility located in St. Louis by failing to treat or transport certain waste within 24 hours or to transfer certain waste within 24 hours. The Petition also alleged that certain record keeping requirements had not been met. On May 27, 2016 a First Amended Verified Petition was filed with essentially the same allegations. MDNR originally filed its Petition on October 16, 2014. On October 31, 2016, we entered into a Consent Judgment that requires us to timely treat or transfer waste received, to keep proper records and to pay a civil penalty of \$130,000. On November 22, 2016, we paid the civil penalty of \$130,000.

NOTE 18 – SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

The following table summarizes our unaudited consolidated quarterly results of operations as reported for 2016 and 2015:

In thousands, except per share data

	First Quarter 2016	Second Quarter 2016	Third Quarter 2016	Fourth Quarter 2016	Year 2016
Revenues	\$ 874,181	\$ 891,621	\$ 890,144	\$ 906,396	\$ 3,562,342
Gross profit	369,184	381,095	379,260	372,415	1,501,954
Amortization expenses	(18,274)	(50,909)	(33,128)	(26,989)	(129,300)
Acquisition expenses	(2,990)	(2,607)	(2,265)	(1,784)	(9,646)
Integration expenses	(19,268)	(22,578)	(19,162)	(26,579)	(87,587)
Litigation and professional services expenses	(1,300)	(2,664)	(1,481)	(7,459)	(12,904)
Change in fair value of contingent consideration	2,644	—	(559)	(34)	2,051
Plant conversion expenses	(241)	(929)	(487)	(2,329)	(3,986)
Contract exit costs (1)	—	(12,708)	(10,110)	(1,187)	(24,005)
Asset impairment charges (2)	—	—	(4)	(28,468)	(28,472)
Net income attributable to Stericycle, Inc.	76,786	46,034	64,795	18,744	206,359
Net income attributable to Stericycle, Inc. common shareholders	66,680	37,293	61,536	12,721	178,230
* Basic earnings per common share	\$ 0.79	\$ 0.44	\$ 0.72	\$ 0.15	\$ 2.10
* Diluted earnings per common share	\$ 0.78	\$ 0.43	\$ 0.72	\$ 0.15	\$ 2.08

In thousands, except per share data

	Second Quarter		Third Quarter		Fourth Quarter		Year 2015
	First Quarter 2015	2015	2015	2015	2015	2015	
Revenues	\$ 663,319	\$ 715,689	\$ 718,596	\$ 888,304	\$ 2,985,908		
Gross profit	281,331	304,824	299,675	380,355	1,266,185		
Amortization expenses	(8,797)	(8,921)	(9,239)	(18,541)	(45,498)		
Acquisition expenses	(3,296)	(2,986)	(33,674)	818	(39,138)		
Integration expenses	(8,886)	(8,924)	(13,447)	(20,432)	(51,689)		
Litigation expenses (3)	(75,623)	173	16,444	(645)	(59,651)		
Change in fair value of contingent consideration	675	(35)	—	—	640		
Restructuring and plant conversion expenses	(12,302)	(3,058)	(2,721)	(4,667)	(22,748)		
Asset impairment charges	—	—	—	(1,781)	(1,781)		
Net income attributable to Stericycle, Inc.	28,940	87,830	69,449	80,827	267,046		
Net income attributable to Stericycle, Inc. common shareholders	28,940	87,830	69,449	70,721	256,940		
* Basic earnings per common share	\$ 0.34	\$ 1.03	\$ 0.82	\$ 0.83	\$ 3.02		
* Diluted earnings per common share	\$ 0.34	\$ 1.02	\$ 0.81	\$ 0.82	\$ 2.98		

- (1) 2016 charges incurred to exit some of the contracts in our UK patient transport services business
- (2) Q4 2016 charges mostly from write-down of certain assets in the UK either sold for a loss or classified as assets held for sale
- (3) Q1 2015 expenses mostly due to the \$28.5 million settlement of the Qui Tam Action and the \$28.2 million settlement of the Junk Fax Lawsuit

*EPS calculated on a quarterly basis, and, as such, the amounts may not total the calculated full-year EPS.

STERICYCLE, INC. AND SUBSIDIARIES

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS

In thousands

Allowance for doubtful accounts	Balance Beginning of Period		Other Charges/ (Reversals) (1)		Write-offs/ Payments	Balance End of Period
		Charges to Expenses				
2014	\$ 19,134	\$ 9,869	\$ 842	\$ (10,762)	\$ 19,083	
2015	\$ 19,083	\$ 13,650	\$ 3,054	\$ (13,458)	\$ 22,329	
2016	\$ 22,329	\$ 41,769	\$ 2,696	\$ (17,149)	\$ 49,645	

- (1) Amounts consist primarily currency translation adjustments.

In thousands

Valuation Allowance on Deferred Tax Assets	Balance Beginning of Period		Additions/ (Deductions) Charged to/ (from) Income Tax Expense		Other Changes to Reserves (2)	Balance End of Period
2014	\$ 1,122	\$ —	\$ (1,066)	\$ 56	\$ 56	
2015	\$ 56	\$ 13	\$ 17,516	\$ 17,585	\$ 17,585	
2016	\$ 17,585	\$ 6,853	\$ (9,046)	\$ 15,392	\$ 15,392	

- (2) Amounts consist primarily of valuation allowances on acquired deferred tax assets from business combinations.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

The term "disclosure controls and procedures" is defined in Rule 13a-15(e) of the Securities Exchange Act of 1934 as "controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms." Our disclosure controls and procedures are designed to ensure that material information relating to us and our consolidated subsidiaries is accumulated and communicated to our management, including our President and Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding our required disclosures.

Our management, with the participation of our President and Chief Executive Officer and our Chief Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the fiscal year covered by this Report. Based upon that evaluation, our President and Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this annual report, because of material weaknesses in internal control over financial reporting described below.

(b) Internal control over financial reporting.

Management of Stericycle is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d(f) under the Exchange Act). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with United States generally accepted accounting principles (US GAAP). Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Stericycle conducted an assessment of the effectiveness of its internal control over financial reporting as of December 31, 2016 based on the criteria established by Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO Framework").

As of December 31, 2015, we had identified three material weaknesses: (1) the design and operating effectiveness of revenue control activities were inadequate to ensure that revenue transactions were properly measured and recorded in the appropriate period; (2) the design and operating effectiveness of control activities at the Environmental Solutions component of the Domestic Regulated and Compliance Services segment of the business were inadequate to ensure the component's financial statements were appropriately stated and (3) the Company's risk assessment process did not operate effectively. During 2016, the Company's assessment included the global Shred-it business. Shred-it was acquired late in 2015 and resulted in significant integration activities throughout

2016 with a broad impact across the organization. While the Company made progress in certain of the areas identified in the prior year, additional material weaknesses were identified. As a result, as of December 31, 2016, Stericycle management has identified material weaknesses related to: a lack of a framework to identify risks of material misstatement to the organization's financial statements and appropriately designed controls to mitigate those risks; a lack of robust accounting policies to assist our finance organization with accounting for transactions appropriately and on a timely basis; insufficient design and communication of general information technology controls to support the effective operation of financial controls; and an insufficiently staffed finance organization with the requisite skills and ability to focus on ICFR matters to respond to the risks to the financial statements. These material weaknesses in the control environment, risk assessment, and control activity components of the COSO framework as of December 31, 2016 are pervasive across our internal control processes and also include the material weaknesses previously disclosed in our Form 10-K/A for the fiscal year ended as of December 31, 2015.

Planned Remediation of Material Weaknesses

In 2016, Stericycle invested considerable time and resources towards redesigning our internal controls over financial reporting. This effort can be summarized as follows:

- We engaged consultants to help review and make recommendation with respect to the redesign of our internal controls over financial reporting;
- We added additional resources and enhanced existing positions in accounting, finance, tax, and information technology to support the redesigned controls;
- We engaged subject matter experts to perform an information technology infrastructure and architecture assessment; and
- Those subject matter experts then developed a strategic information technology infrastructure and architecture roadmap.

Remediation of control deficiencies that gave rise to the material weaknesses described above can be a multi-year process. We remain committed to continue investing significant time and resources and taking actions to remediate the material weaknesses in our internal control over financial reporting as we work to further integrate acquisitions, streamline disparate information technology systems, and enhance our control environment.

Below we have described the remedial actions we are taking to address the identified material weaknesses and enhance our overall control environment.

Control Environment

- We are developing, enhancing, and implementing standardized policies in the areas of accounting, general information technology and to enforce individual accountability for performance of internal control responsibilities across the Company.
- We are creating new roles and hiring additional accounting personnel with appropriate backgrounds and skill sets.
- We are establishing a technical accounting group within the Controllershship function with responsibility to ensure that the accounting for complex or non-routine transactions is appropriate.
- We are expanding the training of our employees to reinforce the importance of a strong control environment, to emphasize the technical requirements for controls that are designed, implemented and operating effectively and to set the appropriate expectations on internal controls through establishing the related policies and procedures.

Risk Assessment

- We have engaged external service providers to assist with performing a comprehensive risk assessment including the risk of fraud.
- We are reviewing, analyzing, and properly documenting our processes related to internal controls over financial reporting.

- We are implementing a financial reporting risk assessment and review process to ensure our significant accounting policies are implemented and applied properly under US GAAP on a consistent basis throughout the Company.
- We are developing an internal control framework which will ensure we are appropriately identifying and assessing changes that could significantly impact the system of internal control.

Control Activities

- We are designing and implementing effective review and approval controls over the accurate recording, presentation, and disclosure of revenue and related costs.
- We are designing and implementing effective review and approval controls. This includes hiring professionals with the appropriate technical accounting expertise to support the adequacy of the review and approval of complex or non-routine transactions such as those involving impairments and purchase accounting.
- We are also designing and implementing effective review and approval controls over account reconciliations, journal entries, and management estimates across our remaining internal control processes. These controls will address the accuracy and completeness of the data used in the performance of the respective control.
- We are establishing policies over the segregation of incompatible duties within our IT systems and implementing such policies across the Company.
- We are implementing standardized policies to address the completeness and accuracy of data used in the performance of controls and information technology controls across the Company.
- We are working to standardize and simplify the Company's disparate information systems.

When fully implemented and operational, we believe the measures described above will remediate the control deficiencies that have led to the material weaknesses we have identified and strengthen our internal controls over financial reporting. We are committed to continuing to improve our internal control processes and we will continue to review our financial reporting controls and procedures. As we continue to evaluate and work to improve our internal controls over financial reporting, we may determine to take additional measures to address control deficiencies or modify certain activities of the remediation measures described above.

Notwithstanding the existence of the material weaknesses as described above, we believe that the consolidated financial statements in this Annual Report fairly present, in all material respects, our financial position, results of operations and cash flows as of the dates, and for the periods, presented, in conformity with US GAAP.

Conclusion

As a result of the material weaknesses described above, management has concluded that, as of December 31, 2016, our internal control over financial reporting was ineffective. The "Report of Independent Registered Public Accounting Firm" relating to internal control over financial reporting as of December 31, 2016, is included below.

(c) Changes in internal controls.

As described above in the "Management's Report on Internal Control over Financial Reporting" section, we have undertaken strategic remedial actions to address the material weaknesses in our internal controls over financial reporting. These remedial actions continued throughout the quarter ended December 31, 2016 but have not materially affected our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting

The Board of Directors and Shareholders of Stericycle, Inc. and Subsidiaries

We have audited Stericycle, Inc. and Subsidiaries' (the Company) internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weaknesses have been identified and included in management's assessment. Management has identified material weaknesses related to: a lack of a framework to identify risks of material misstatement to the organization's financial statements and appropriately designed controls to mitigate those risks; a lack of robust accounting policies to assist the finance organization with accounting for transactions appropriately and on a timely basis; insufficient design and communication of general information technology controls to support the effective operation of financial controls; and an insufficiently staffed finance organization with the requisite skills and ability to focus on ICFR matters to respond to the risks to the financial statements. These material weaknesses in the control environment, risk assessment, and control activity components of the COSO framework as of December 31, 2016 are pervasive across the Company's internal control processes. We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Stericycle, Inc. and Subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the three years in the period ended

December 31, 2016, and our report dated March 14, 2017 expressed an unqualified opinion thereon. The material weaknesses were considered in determining the nature, timing and extent of audit tests applied in our audit of the 2016 consolidated financial statements, and this report does not affect our report dated March 14, 2017, which expressed an unqualified opinion on those financial statements.

In our opinion, because of the effect of the material weaknesses described above on the achievement of the objectives of the control criteria, Stericycle, Inc. and Subsidiaries has not maintained effective internal control over financial reporting as of December 31, 2016, based on the COSO criteria.

/s/ Ernst & Young LLP

Chicago, Illinois
March 14, 2017

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item regarding our directors is incorporated by reference to the information contained under the caption "Election of Directors" in our definitive proxy statement for our 2017 Annual Meeting of Stockholders to be held on May 24, 2017, to be filed pursuant to Regulation 14A.

The information required by this Item regarding our executive officers is contained under the caption "Executive Officers of the Registrant" in Item 1 of Part I of this Report.

The information required by this Item regarding compliance with Section 16(a) of the Securities Exchange Act of 1934 is incorporated by reference to the information contained under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in our definitive proxy statement for our 2017 Annual Meeting of Stockholders to be held on May 24, 2017, to be filed pursuant to Regulation 14A.

We have adopted a code of business conduct that applies to all of our employees. The code of business conduct is available on our website, www.stericycle.com, under "About Us/Our Culture." We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding any amendments to, or waiver from, a provision of our code of conduct by posting such information on our website.

The information required by this Item regarding certain corporate governance matters is incorporated by reference to the information contained under the caption "Election of Directors" in our definitive proxy statement for our 2017 Annual Meeting of Stockholders to be held on May 24, 2017, to be filed pursuant to Regulation 14A.

Item 11. Executive Compensation

The information required by this Item is incorporated by reference to the information contained under the caption "Compensation Discussion and Analysis" and following sections (up to Item 2) in our definitive proxy statement for our 2017 Annual Meeting of Stockholders to be held on May 24, 2017, to be filed pursuant to Regulation 14A.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item is incorporated by reference to the information contained under the captions "Stock Ownership" and "Compensation Discussion and Analysis" and following sections (up to Item 2) in our definitive proxy statement for our 2017 Annual Meeting of Stockholders to be held on May 24, 2017, to be filed pursuant to Regulation 14A.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item regarding our policies and procedures for the review, approval or ratification of transactions with related persons is incorporated by reference to the information contained under the caption

"Policy on Related Party Transactions" in Item 1 of our definitive proxy statement for our 2016 Annual Meeting of Stockholders to be held on May 24, 2017, to be filed pursuant to Regulation 14A.

The information required by this Item regarding director independence is incorporated by reference to the information contained in Item 1 of our definitive proxy statement for our 2017 Annual Meeting of Stockholders to be held on May 24, 2017, to be filed pursuant to Regulation 14A.

Item 14. Principal Accounting Fees and Services

Incorporated by reference from the information under the caption "Ratification of the Independent Registered Public Accounting Firm" in our Proxy Statement for our 2017 Annual Meeting of Stockholders, which will be filed with the SEC within 120 days of December 31, 2016.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) List of Financial Statements, Financial Statement Schedule and Exhibits

We have filed the following financial statements and financial statement schedule as part of this report:

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Consolidated Financial Statements of Stericycle, Inc. and Subsidiaries	
Consolidated Balance Sheets as of December 31, 2016 and 2015	44
Consolidated Statements of Income for Each of the Years in the Three-Year Period Ended December 31, 2016	45
Consolidated Statements of Comprehensive Income for Each of the Years in the Three-Year Period Ended December 31, 2016	46
Consolidated Statements of Cash Flows for Each of the Years in the Three-Year Period Ended December 31, 2016	47
Consolidated Statements of Changes in Equity for Each of the Years in the Three-Year Period Ended December 31, 2016	48
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All other financial statement schedules have been omitted because they are not applicable to us or the required information is shown in the consolidated financial statements or notes thereto.

We have filed the following exhibits with this report:

<u>Exhibit Index</u>	<u>Description</u>	<u>Filed with Electronic Submission</u>
1.1*	Underwriting Agreement, dated September 9, 2015, among the Registrant, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Goldman, Sachs & Co. and J.P. Morgan Securities LLC, as representatives of the underwriters named therein (incorporated by reference to Exhibit 1.1 to our current report on Form 8-K filed September 15, 2015)	
2.1*	Securities Purchase Agreement, dated as of July 15, 2015, among CC Shredding Holdco LLC, CC Dutch Shredding Holdco BV, Birch Hill Equity Partners Management Inc., in its own capacity and in its capacity as the Vendors' Representative, Shred-it International Inc., certain Funds listed on Appendix A to the Securities Purchase Agreement, certain Co-Investors listed on Appendix B to the Securities Purchase Agreement, certain Management Shareholders listed on Appendix C to the Securities Purchase Agreement, the Option Participants in Boost GP Corp., Shred-it JV LP, Boost GP Corp., Boost Holdings LP, Stericycle, Inc., 1908223 Alberta ULC and 1908249 Alberta ULC (incorporated by reference to Exhibit 2.1 to our current report on Form 8-K filed July 21, 2015)	

2.2*	Amendment No. 1 dated as of October 1, 2015 to the Securities Purchase Agreement, dated as of July 15, 2015, among CC Shredding Holdco LLC, CC Dutch Shredding Holdco BV, Birch Hill Equity Partners Management Inc., in its own capacity and in its capacity as the Vendors' Representative, Shred-It International Inc., certain Funds listed on Appendix A to the Securities Purchase Agreement, certain Co-Investors listed on Appendix B to the Securities Purchase Agreement, certain Management Shareholders listed on Appendix C to the Securities Purchase Agreement, the Option Participants in Boost GP Corp., Shred-It IV LP, Boost GP Corp., Boost Holdings LP, Stericycle, Inc., 1908223 Alberta ULC and 1908249 Alberta ULC (incorporated by reference to Exhibit 2.1 to our current report on Form 8-K filed October 7, 2015)
3(i).1*	Amended and restated certificate of incorporation (incorporated by reference to Exhibit 3.1 to our registration statement on Form S-1 declared effective on August 22, 1996 (Registration No. 333-05665))
3(i).2*	First certificate of amendment to amended and restated certificate of incorporation (incorporated by reference to Exhibit 3.1 to our current report on Form 8-K filed November 29, 1999)
3(i).3*	Second certificate of amendment to amended and restated certificate of incorporation (incorporated by reference to Exhibit 3.4 to our annual report on Form 10-K for 2002)
3(i).4*	Third certificate of amendment to amended and restated certificate of incorporation (incorporated by reference to Exhibit 3.4 to our registration statement on Form S-4 declared effective on October 10, 2007 (Registration No. 333-144613))
3(i).5*	Fourth certificate of amendment to amended and restated certificate of incorporation (incorporated by reference to Exhibit 3(i).1 to our quarterly report on Form 10-Q filed August 7, 2014)
3(i).6* and 4.2*	Certificate of Elimination of the Certificate of Designations relating to Series A Convertible Preferred Stock, par value 0.01 per share (incorporated by reference to Exhibit 3.1 and 4.1 to our current report on Form 8-K filed September 15, 2015)
3(i).7* and 4.3*	Certificate of Designations setting forth the specific rights, preferences, limitations, restrictions and other terms and conditions of the Mandatory Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 to our Registration Statement on Form 8-A filed September 15, 2015)
3(ii).1*	Amended and restated bylaws (incorporated by reference to Exhibit 3(ii).1 to our current report on Form 8-K filed June 1, 2016)
4.1*	Specimen certificate for shares of our common stock, par value \$.01 per share (incorporated by reference to Exhibit 4.1 to our registration statement on Form S-1 declared effective on August 22, 1996 (Registration No. 333-05665))
4.4*	Form of certificate representing the Mandatory Convertible Preferred Stock (see Exhibits 3(i).7 and 4.3)
4.5*	Deposit Agreement, dated as of September 15, 2015, between the Registrant, Wells Fargo Bank, N.A., acting as depositary, and the holders from time to time of the Depository Shares (incorporated by reference to Exhibit 4.3 to our Registration Statement on Form 8-A filed September 15, 2015)
4.6*	Form of Depository Share (included in Exhibit 4.5)
10.1*	Second Amended and Restated Credit Agreement dated as of June 3, 2014 entered into by Stericycle, Inc. and certain of its subsidiaries as borrowers, Bank of America, N.A., as administrative agent, swingline lender, a lender and a letter of credit issuer, other lenders party to the credit agreement, JPMorgan Chase Bank, N.A. and HSBC Bank USA, National Association, as syndication agents, and Union Bank, N.A. and Santander Bank, National Association, as co-documentation agents (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed June 4, 2014)
10.2*	Second Amendment, dated as of August 13, 2015, to the Second Amended and Restated Credit Agreement dated as of June 3, 2014, entered into by Stericycle, Inc. and certain of its subsidiaries as borrowers, Bank of America, N.A., as administrative agent, swingline lender, lender and letter of credit issuer, JPMorgan Chase Bank, N.A., HSBC Bank USA, National Association and Sumitomo Mitsui Banking Corporation, as lenders and letter of credit issuers, MUFG Union Bank, N.A., Santander Bank, N.A., Sumitomo Mitsui Banking Corporation, U.S. Bank National Association, U.S. Bank National Association, Canada Branch, BMO Harris Financing Inc., COBANK, ACB, The Northern Trust Company, Citibank, N.A., Compass Bank, PNC Bank, National Association, SunTrust Bank, Unicredit Bank AG, New York Branch, and Wells Fargo Bank, National Association, as lenders (incorporated by reference to Exhibit 2.1 to our current report on Form 8-K filed August 19, 2015)
10.3*	Term Loan Credit Agreement dated as of August 21, 2015, among Stericycle, Inc., as borrower, Bank of America, N.A., as Administrative Agent and as a lender, and Goldman Sachs Bank USA, JPMorgan Chase Bank, N.A., Santander Bank, N.A., MUFG Union Bank, N.A., Sumitomo Mitsui Banking Corporation, U.S. Bank National Association, BMO Harris Bank N.A., Wells Fargo Bank, National Association, HSBC Bank USA, National Association, HSBC Bank plc, CoBank, ACB, The Northern Trust Company, Compass Bank, PNC Bank, National Association and UniCredit Bank AG, New York Branch, as lenders (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed August 27, 2015)

- 10.4* Note Purchase Agreement dated as of August 18, 2010 entered into by us, as issuer and seller, and Metropolitan Life Insurance Company, MetLife Insurance Company of Connecticut, Union Fidelity Life Insurance Company, Allstate Life Insurance Company, Allstate Life Insurance Company of New York, American Heritage Life Insurance Company, New York Life Insurance Company, New York Life Insurance and Annuity Corporation, New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account (BOLI 30C), Forethought Life Insurance Company, Hartford Life Insurance Company, Hartford Life and Accident Insurance Company, Hartford Fire Insurance Company, Physicians Life Insurance Company, Nationwide Life Insurance Company, Nationwide Life and Annuity Insurance Company, Massachusetts Mutual Life Insurance Company, C.M. Life Insurance Company, RiverSource Life Insurance Company, Thrivent Financial for Lutherans, The Lincoln National Life Insurance Company, The Northwestern Mutual Life Insurance Company, Jackson National Life Insurance Company, Allianz Life Insurance Company of North America, MONY Life Insurance Company, AXA Equitable Life Insurance Company, CUNA Mutual Insurance Society, Southern Farm Bureau Life Insurance Company, Phoenix Life Insurance Company, PHL Variable Insurance Company, Modern Woodmen of America, United of Omaha Life Insurance Company, Companion Life Insurance Company, Mutual of Omaha Insurance Company, Woodmen of the World Life Insurance Society, Knights of Columbus, Physicians Insurance A Mutual Company, Seabright Insurance Company and Country Life Insurance Company, as purchasers (incorporated by reference to our current report on Form 8-K filed August 27, 2010)
- 10.5* First Amendment, dated as of August 13, 2015, to the Note Purchase Agreement dated as of August 18, 2010, entered into by Stericycle, Inc. and Metropolitan Life Insurance Company, MetLife Insurance Company of Connecticut, Union Fidelity Life Insurance Company, Allstate Life Insurance Company, Allstate Life Insurance Company of New York, American Heritage Life Insurance Company, New York Life Insurance Company, New York Life Insurance and Annuity Corporation, New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account (BOLI 30C), Hartford Life Insurance Company, Hartford Life and Accident Insurance Company, Hartford Fire Insurance Company, Nationwide Life Insurance Company, Nationwide Life and Annuity Insurance Company, Massachusetts Mutual Life Insurance Company, C.M. Life Insurance Company, RiverSource Life Insurance Company, Thrivent Financial for Lutherans, The Lincoln National Life Insurance Company, The Northwestern Mutual Life Insurance Company, Jackson National Life Insurance Company, Allianz Life Insurance Company of North America, AXA Equitable Life Insurance Company, Southern Farm Bureau Life Insurance Company, Phoenix Life Insurance Company, PHL Variable Insurance Company, Modern Woodmen of America, United of Omaha Life Insurance Company, Companion Life Insurance Company, Mutual of Omaha Insurance Company, Woodmen of the World Life Insurance Society, Knights of Columbus, Physicians Insurance A Mutual Company, CSAA Insurance Exchange and Country Life Insurance Company (incorporated by reference to Exhibit 2.4 to our current report on Form 8-K filed August 19, 2015)
- 10.6* Note Purchase Agreement dated as of October 22, 2012 entered into by us, as issuer and seller, and The Northwestern Mutual Life Insurance Company, Northwestern Long Term Care Insurance Company, The Lincoln National Life Insurance Company, ING USA Annuity and Life Insurance Company, ING Life Insurance and Annuity Company, Reliastar Life Insurance Company, Reliastar Life Insurance Company of New York, Principal Life Insurance Company, Penn Mutual Life Insurance Company, Symetra Life Insurance Company, Jackson National Life Insurance Company, Reassure America Life Insurance Company, Aviva Life and Annuity Company, Royal Neighbors of America, Thrivent Financial for Lutherans, AXA Equitable Life Insurance Company, MONY Life Insurance Company, RiverSource Life Insurance Company (944), RiverSource Life Insurance Co. of New York (904), Western-Southern Life Assurance Company, Columbus Life Insurance Company, Integrity Life Insurance Company, Integrity Life Insurance Company Separate Account GPO, National Integrity Life Insurance Company Separate Account GPO, Great-West Life & Annuity Insurance Company, Great-West Life & Annuity Insurance Company of South Carolina, Hartford Life Insurance Company, The Guardian Life Insurance Company of America, Modern Woodmen of America, National Life Insurance Company, Trinity Universal Insurance Company, Catholic United Financial, Occidental Life Insurance Company of North Carolina, Western Fraternal Life Association, Southern Farm Bureau Life Insurance Company, Woodmen of the World Life Insurance Society, Americo Financial Life & Annuity Insurance Company, American United Life Insurance Company, Ameritas Life Insurance Corp. of New York, Acacia Life Insurance Company, The Union Central Life Insurance Company, USAA Life Insurance Company, Country Life Insurance Company, ProAssurance Indemnity Company, Inc, ProAssurance Casualty Company, and State of Wisconsin Investment Board, as purchasers (incorporated by reference to our current report on Form 8-K filed October 26, 2012)

	First Amendment, dated as of August 13, 2015, to the Note Purchase Agreement dated as of October 22, 2012, entered into by Stericycle, Inc. and The Northwestern Mutual Life Insurance Company, Northwestern Long Term Care Insurance Company, The Lincoln National Life Insurance Company, Penn Mutual Life Insurance Company, Principal Life Insurance Company, Symetra Life Insurance Company, Jackson National Life Insurance Company, Reassure America Life Insurance Company, Athene Annuity and Life Company (f/k/a Aviva Life and Annuity Company), Royal Neighbors of America, Thrivent Financial for Lutherans, AXA Equitable Life Insurance Company, RiverSource Life Insurance Company, RiverSource Life Insurance Co. of New York, Western-Southern Life Assurance Company, Columbus Life Insurance Company, Integrity Life Insurance Company, Integrity Life Insurance Company Separate Account GPO, National Integrity Life Insurance Company Separate Account GPO, Great-West Life & Annuity Insurance Company, Great-West Life & Annuity Insurance Company of South Carolina, Hartford Life Insurance Company, The Guardian Life Insurance Company of America, Modern Woodmen of America, National Life Insurance Company, Trinity Universal Insurance Company, Catholic United Financial, Occidental Life Insurance Company of North Carolina, Western Fraternal Life Association, Southern Farm Life Insurance Company, Woodmen of the World Life Insurance Society, American United Life Insurance Company, Ameritas Life Insurance Corp. successor by merger to Acacia Life Insurance Company, Ameritas Life Insurance Corp. successor by merger to The Union Central Life Insurance Company, Ameritas Life Insurance Corp. of New York, USAA Life Insurance Company, Country Life Insurance Company, ProAssurance Casualty Company, ProAssurance Indemnity Company, Inc. and State of Wisconsin Investment Board (incorporated by reference to Exhibit 2.3 to our current report on Form 8-K filed August 19, 2015)
10.7*	Note Purchase Agreement dated as of April 30, 2015 entered into by Stericycle, Inc., as issuer and seller, and New York Life Insurance Company, New York Life Insurance and Annuity Corporation, New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account (BOLI 3-2), The Northwestern Mutual Life Insurance Company, The Northwestern Life Insurance Company for its Group Annuity Separate Account, State Farm Life Insurance Company, State Farm Life and Accident Assurance Company, Thrivent Financial for Lutherans, AXA Equitable Life Insurance Company, Great-West Life & Annuity Insurance Company, the Guardian Life Insurance Company of America, Metropolitan Life Insurance Company, MetLife Insurance Company USA, General American Life Insurance Company, First MetLife Investors Insurance Company, MetLife Insurance K.K., Nationwide Life Insurance Company, RiverSource Life Insurance Company, RiverSource Life Insurance Company, RiverSource Life Insurance Co. of New York, Life Insurance Company of the Southwest, State of Wisconsin Investment Board, Catholic Financial Life, GuideOne Mutual Insurance Company and GuideOne Property & Casualty Insurance Company (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed May 4, 2015)
10.8*	Second Amendment, dated as of August 13, 2015, to the Note Purchase Agreement dated as of April 30, 2015, entered into by Stericycle, Inc. and New York Life Insurance Company, New York Life Insurance and Annuity Corporation, New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account (BOLI 3-2), The Northwestern Mutual Life Insurance Company, The Northwestern Life Insurance Company for its Group Annuity Separate Account, State Farm Life Insurance Company, State Farm Life and Accident Assurance Company, Thrivent Financial for Lutherans, AXA Equitable Life Insurance Company, Great-West Life & Annuity Insurance Company, The Guardian Life Insurance Company of America, Metropolitan Life Insurance Company, MetLife Insurance Company USA, General American Life Insurance Company, First MetLife Investors Insurance Company, MetLife Insurance K.K., Nationwide Life Insurance Company, RiverSource Life Insurance Company, RiverSource Life Insurance Co. of New York, Life Insurance Company of the Southwest, State of Wisconsin Investment Board, Catholic Financial Life, GuideOne Mutual Insurance Company and GuideOne Property & Casualty Insurance Company (incorporated by reference to Exhibit 2.2 to our current report on Form 8-K filed August 19, 2015)
10.9*	Note Purchase Agreement dated as of October 1, 2015, entered into by Stericycle, Inc. and Metropolitan Life Insurance Company, General American Life Insurance Company, MetLife Insurance Company USA, Erie Family Life Insurance Company, The Northwestern Mutual Life Insurance Company, The Northwestern Mutual Life Insurance Company for its Group Annuity Separate Account, New York Life Insurance Company, New York Life Insurance and Annuity Corporation, New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account (BOLI 3), The Bank of New York Mellon, State Farm Life Insurance Company, State Farm Life and Accident Assurance Company, Nationwide Life Insurance Company, Thrivent Financial for Lutherans, Principal Life Insurance Company, State of Wisconsin Investment Board, Auto-Owners Insurance Company, Auto-Owners Life Insurance Company, American United Life Insurance Company, The State Life Insurance Company, Ameritas Life Insurance Corp., Ameritas Life Insurance Corp. of New York, PHL Variable Life Insurance Company, Woodmen of the World Life Insurance Society, Horizon Blue Cross Blue Shield of New Jersey and Southern Farm Bureau Life Insurance Company (incorporated by reference to Exhibit 2.2 to our current report on Form 8-K filed October 7, 2015)
10.10*	2000 Non-statutory Stock Option Plan ("2000 Plan") (incorporated by reference to Exhibit 10.13 to our annual report on Form 10-K for 2001)
10.11**	First amendment to 2000 Plan (incorporated by reference to Exhibit 10.14 to our annual report on Form 10-K for 2001)
10.12**	Second amendment to 2000 Plan (incorporated by reference to Exhibit 10.15 to our annual report on Form 10-K for 2001)
10.13**	

10.14**	Third amendment to 2000 Plan (incorporated by reference to Exhibit 4.2 to our registration statement on Form S-8 filed December 20, 2002 (Registration No. 333-102097))	
10.15**†	2005 Incentive Stock Plan ("2005 Plan") (incorporated by reference to Exhibit 4.1 to our registration statement on Form S-8 filed August 9, 2005 (Registration No. 333-127353))	
10.16**†	First amendment to 2005 Plan (incorporated by reference to Exhibit 10.15 to our annual report on Form 10-K for 2008)	
10.17**†	2008 Incentive Stock Plan ("2008 Plan") (incorporated by reference to Exhibit 4.1 to our registration statement on Form S-8 filed August 8, 2008 (Registration No. 333-152877))	
10.18**†	First amendment to 2008 Plan (incorporated by reference to Exhibit 10.19 to our annual report on Form 10-K for 2009)	
10.19**†	Amendment to 2000 Plan, 2005 Plan and 2008 Plan (incorporated by reference to Exhibit 10.21 to our annual report on Form 10-K for 2012)	
10.20**†	2011 Incentive Stock Plan ("2011 Plan") (incorporated by reference to Exhibit 4.1 to our registration statement on Form S-8 filed August 9, 2011 (Registration No. 333-176165))	
10.21**†	2014 Incentive Stock Plan ("2014 Plan") (incorporated by reference to Exhibit 4.1 to our registration statement on Form S-8 filed December 23, 2014 (Registration No. 333-201236))	
10.22**†	Form of agreement for stock option grant under 2005, 2008, 2011 and 2014 Plans (incorporated by reference to Exhibit 10.20 to our annual report on Form 10-K for 2011)	
10.23**†	Form of agreement for restricted stock unit award under 2008, 2011 and 2014 Plans (incorporated by reference to Exhibit 10.21 to our annual report on Form 10-K for 2011)	
10.24†	Form of agreement for performance-based restricted stock unit award under 2011 and 2014 Plans	x
10.25†	Bonus conversion program (2017 plan year)	x
10.26**†	Employee Stock Purchase Plan (incorporated by reference to Exhibit 4.1 to our registration statement on Form S-8 filed November 8, 2013 (Registration No. 333-192235))	
10.27**†	Canadian Employee Stock Purchase Plan (incorporated by reference to Exhibit A to the registrant's Definitive Proxy Statement on Schedule 14A filed April 15, 2016)	
10.28**†	Plan of Compensation for Outside Directors (incorporated by reference to Exhibit 10.1 to our quarterly report on Form 10-Q filed August 9, 2016)	
10.29†	Form of Indemnification Agreement for Directors and Officers	x
10.30**†	Executive Severance and Change in Control Plan (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed August 30, 2016)	
10.31**†	Supplemental Retirement Plan (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed December 30, 2016)	
14*	Code of ethics (incorporated by reference to Exhibit 10.14 to our annual report on Form 10-K for 2003)	
21	Subsidiaries	x
23	Consent of Independent Registered Public Accounting Firm	x
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer	x
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer	x
32	Section 1350 Certification of Chief Executive Officer and Chief Financial Officer	x
101.INS	XBRL Instance Document	x
101.SCH	XBRL Taxonomy Extension Schema Document	x
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	x
101.DEF	XBRL Taxonomy Definition Linkbase Document	x
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	x
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	x
x	Filed herewith	
*	Previously filed	
†	Management contract or compensatory plan required to be filed pursuant to Item 601 of Regulation S-K	

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: March 14, 2017

STERICYCLE, INC.

(Registrant)

By: /s/ DANIEL V. GINNETTI

Daniel V. Ginnetti

Executive Vice President and Chief Financial Officer (Principal
Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Dated: March 14, 2017

<u>Name</u>	<u>Title</u>	<u>Date</u>
/s/ CHARLES A. ALUTTO Charles A. Alutto	President, Chief Executive Officer and Director (Principal Executive Officer)	March 14, 2017
/s/ DANIEL V. GINNETTI Daniel V. Ginnetti	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 14, 2017
/s/ MARK C. MILLER Mark C. Miller	Chairman of the Board of Directors	March 14, 2017
/s/ JACK W. SCHULER Jack W. Schuler	Lead Director of the Board of Directors	March 14, 2017
/s/ BRIAN P. ANDERSON Brian P. Anderson	Director	March 14, 2017
/s/ LYNN D. BLEIL Lynn D. Bleil	Director	March 14, 2017
/s/ THOMAS D. BROWN Thomas D. Brown	Director	March 14, 2017
/s/ THOMAS F. CHEN Thomas F. Chen	Director	March 14, 2017
/s/ ROD F. DAMMEYER Rod F. Dammeyer	Director	March 14, 2017
/s/ WILLIAM K. HALL William K. Hall	Director	March 14, 2017
/s/ ROBERT S. MURLEY Robert S. Murley	Director	March 14, 2017
/s/ JOHN PATIENCE John Patience	Director	March 14, 2017
/s/ MIKE S. ZAFIROVSKI Mike S. Zafirovski	Director	March 14, 2017

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Section 2: EX-10.24 (EX-10.24)

EXHIBIT 10.24

Performance-Based Restricted Stock Unit Award

(Stericycle, Inc. [2011][2014] Incentive Stock Plan)

Participant: _____

Award Grant Date ("Grant Date"): [date]

Number of shares subject to this Award: _____

Performance Period:[date] through [date]

Performance Year:Each calendar year during the Performance Period

THIS PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT (this "Award Agreement"), dated as of the Grant Date specified above, by and between Stericycle, Inc. (the "Company") and the Participant, is entered into pursuant to the Stericycle, Inc. [2011][2014] Incentive Stock Plan (as the same may be amended, restated, supplemented and otherwise modified from time to time, the "Plan"). This Award Agreement is subject to the terms and conditions of the Plan.

1. **Defined Terms.** All capitalized terms not otherwise defined in the text of this Award Agreement have the meanings attributed to them in the Plan. For purposes of this Award Agreement, the Participant's "Termination Date" shall occur when his or her employment with the Company and the Subsidiaries terminates for any reason.

2. **Grant of Performance Restricted Stock Units.** Subject to the terms and conditions of the Plan and this Award Agreement, the Company hereby grants to the Participant an Award of Restricted Stock Units under the Plan ("Performance Stock Units") which Award shall constitute an RSU Award for purposes of the Plan. The Performance Stock Units shall vest based on (a) the Participant's continued employment with the Company and its Subsidiaries and (b) satisfaction of Performance Targets, as described in Section 3. Each Performance Stock Unit constitutes an unfunded and unsecured promise of the Company to deliver (or cause to be delivered) to the Participant a share of the Company's common stock, par value \$.01 per share ("Common Stock"), or its cash equivalent, subject to the terms and conditions of the Plan and this Award Agreement, and is not an actual share of Common Stock. Prior to settlement, as described in Section 4, Performance Stock Units are only bookkeeping entries, either on the Company's own records or on those of E*Trade (or any other record keeper that the Company may use in connection with the administration of the Plan), and the Participant shall not have any rights as a stockholder of the Company in respect of his or her Performance Stock Units.

3. **Vesting of Performance Stock Units.**

- (a) *Performance Targets.* For each Performance Year during the Performance Period, the Committee shall establish performance targets based on a Performance Goal ("Performance Targets") that shall apply to such Performance Year. The
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Performance Targets shall be established within the first 90 days of the Performance Year and at a time when the outcome as to the Performance Targets is substantially uncertain. The Performance Targets for the [year] Performance Year are set forth in Appendix A (which is incorporated into and forms a part of this Award Agreement). The Performance Targets for Performance Years after [year] shall be established by the Committee in accordance with this paragraph (a) and shall be added to (or as a Supplement to) Appendix A for such Performance Year in such form as the Committee determines.

- (b) *General Vesting Rules.* A maximum of one-third of the Performance Stock Units may become earned and vested on each of the first, second and third anniversary of the Grant Date (each a "Vesting Date" for the Performance Year ending immediately prior to the applicable anniversary of the Grant Date) provided that the Participant's Termination Date has not occurred as of the applicable Vesting Date. Subject to the terms and conditions of this Agreement, the actual number of Performance Stock Units that become earned and vested as of a Vesting Date ("Vested Performance Stock Units") shall be determined in accordance with Appendix A based on satisfaction of the Performance Targets for the Performance Year. All Performance Stock Units that become Vested Performance Stock Units on a Vesting Date shall be distributed to the Participant in accordance with Section 4. Except as otherwise provided by the Committee or this Award Agreement, if the Participant's Termination Date occurs for any reason prior to the Vesting Date for a Performance Year, then, as of the Participant's Termination Date, all then unvested Performance Stock Units shall be cancelled and shall be forfeited, none of unvested Performance Stock Units shall become Vested Performance Stock Units and the Participant shall have no rights under or with respect any of the unvested Performance Stock Units.
 - (c) *Special Rules for Death.* Notwithstanding the provisions of paragraph 3(b), if the Participant's Termination Date occurs prior to a Vesting Date on account of the Participant's death, then all of the then outstanding unvested Performance Stock Units shall become Vested Performance Stock Units, without regard to satisfaction of the Performance Targets, and the date of the Participant's death shall be the "Vesting Date" for such Performance Stock Units for purposes of Section 4.
 - (d) *Change in Control.* This Award shall vest upon a Change in Control prior to the Vesting Date as provided in Article 7 of the Plan provided that the Participant's Termination Date has not occurred as of the date of the Change in Control.
 - (e) *Employee Covenant Agreement.* This Award is subject to forfeiture and automatic cancellation as provided in the Employee Covenant Agreement referred to in Section 6. In addition, the Participant may be required to repay the Company any cash paid in settlement of the Award, and the net proceeds from the sale of any stock issued in settlement of the Award, as also provided in the Employee Covenant Agreement.
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4. **Settlement of Vested Performance Stock Units.** The Participant shall be entitled to payment (whether in shares of Common Stock or the cash equivalent thereof) only with respect to Vested Performance Stock Units. The settlement of the Vested Performance Stock Units shall occur within 45 days following the Vesting Date applicable to such Vested Performance Units. Settlement of the Vested Performance Stock Units shall be made, in the sole discretion of the Committee, in (a) the form of shares of Common Stock (with one share of Common Stock distributed for each Vested Performance Stock Unit and cash equal in value to any fractional Vested Performance Stock Unit) registered in the name of the Participant, (b) a lump sum cash payment equal to the Fair Market Value (determined as of the Vesting Date) of the number of shares of Common Stock determined under paragraph (a), or (c) a combination of the payment forms described in paragraphs (a) and (b).

5. **Withholding.** The delivery of shares of the Common Stock or the payment of cash in settlement of the Award pursuant to Section 4 shall be conditioned upon the satisfaction of any applicable withholding tax obligation. If and to the extent that this Award is settled in shares of the Common Stock, the Company may withhold from the number of shares otherwise deliverable to the Participant a number of shares having a Fair Market Value equal to the Company's withholding liability in respect of the delivery of those shares. If and to the extent that this Award is settled in cash, the Company may withhold from the cash payment an amount equal to its withholding liability in respect of the payment. The Company may take any other action that the Plan Administrator considers necessary or advisable (for example, as permissible, withholding amounts from any compensation or other amounts payable by the Company to the Participant) to enable the Company to satisfy its withholding tax obligation in respect of the vesting and settlement of the Award.

6. **Employee Covenant Agreement.** This Agreement and the Award of Performance Stock Units to the Participant are subject to the Participant's acceptance of and agreement to be bound by the Employee Covenant Agreement which has been provided or made available to the Participant with this Agreement. The Company would not have granted the Award to the Participant without the Participant's acceptance of and agreement to be bound by the Employee Covenant Agreement.

7. **Transferability.** This Award may not be transferred, assigned or pledged (whether by operation of law or otherwise), except as provided by will or the applicable laws of intestacy. The Award shall not be subject to execution, attachment or similar process.

8. **Interpretation.** This Award is subject to the terms of the Plan, as the Plan may be amended (but except as required by applicable law, no amendment of the Plan after the Grant Date shall adversely affect the Participant's rights in respect of the Award without the Participant's consent). If there is a conflict or inconsistency between this Award and the Plan, the terms of the Plan shall control. The Plan Administrator's interpretation of this Award and the Plan shall be final and binding.

9. **No Employment Rights.** Nothing in this Award shall be considered to confer on the Participant any right to continue in the employ of the Company or a Subsidiary or to limit the right of the Company or a Subsidiary to terminate the Participant's employment.

10. **No Stockholder Rights.** The Participant shall not have any rights as a stockholder of the Company in respect of any of Performance Stock Units unless and until this Award vests and is settled in shares of the Company's common stock.
11. **Governing Law.** This Award shall be governed in accordance with the laws of the State of Illinois.
12. **Binding Effect.** This Award shall be binding on the Company and the Participant and on the Participant's heirs, legatees and legal representatives.
13. **Effective Date.** This Award shall not become effective until the Participant's acceptance of this Award and agreement to be bound by the Employee Covenant Agreement. Upon such acceptance and agreement, this Award shall become effective, retroactive to the Grant Date, without the necessity of further action by either the Company or the Participant. If, within 90 days of the Grant Date, this Award is not accepted and/or if the Employee Covenant Agreement is not signed and returned to the Company, the Award shall be forfeited and cancelled and the Participant shall have no further rights under or with respect thereto.
14. **Code Section 409A.** It is intended that any amounts payable under this Award Agreement shall either be exempt from or comply with Section 409A of the Code and all regulations, guidance and other interpretive authority issued thereunder ("Code Section 409A") so as not to subject the Participant to payment of any additional tax, penalty or interest imposed under Code Section 409A and any ambiguities herein shall be interpreted to so comply. Neither the Company nor any of the Subsidiaries, however, makes any representation regarding the tax consequences of this Award. Notwithstanding any other provision of this Award Agreement to the contrary, if any payment or benefit hereunder is subject to Code Section 409A, and if such payment or benefit is to be paid or provided on account of the Participant's Termination Date (or other separation from service or termination of employment):
- and if the Participant is a specified employee (within the meaning of section 409A(a)(2)(B) of the Code) and if any such payment or benefit is required to be made or provided prior to the first day of the seventh month following the Participant's separation from service or termination of employment, such payment or benefit shall be delayed until the first day of the seventh month following the Participant's separation from service; and
 - the determination as to whether the Participant has had a termination of employment (or separation from service) shall be made in accordance with the provisions of Code Section 409A and the guidance issued thereunder without application of any alternative levels of reductions of bona fide services permitted thereunder.

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Section 3: EX-10.25 (EX-10.25)

EXHIBIT 10.25

Program Year 2017



BONUS CONVERSION PROGRAM Summary of Program Terms

Program Objectives

- To increase the opportunity for employee ownership of Stericycle common stock (NASDAQ Symbol: SRCL)
- To provide an alternative means of deferring the tax obligation on incentive compensation

Program Overview

The Bonus Conversion Program (BCP) provides you with an opportunity to defer current taxation into the future and to increase your ownership of Stericycle stock. The BCP allows you to receive vested Stericycle non-qualified stock option(s) in lieu of all or a portion of any 2017 Annual Incentive Plan (AIP) bonus that Stericycle otherwise would pay you.

If you elect to participate for the 2017 Program Year, you will receive a vested option during the first quarter of 2017 to purchase \$5 or more worth of Stericycle stock for every \$1 of your AIP bonus for 2017 that you elected to forgo. The number of option shares will be determined by the dollar amount that you elected to forgo multiplied by 5 and then divided by the average closing price of Stericycle stock during 2017 (determined on December 31st 2017). The exercise price per share of the option will be the closing price of the stock on the date of the option grant which is the same as the payout date of the bonus. For example, if under the BCP you elect to forgo \$5,000 of your annual bonus for 2017, you will receive a vested option to purchase, at the option exercise price, a number of shares equal to \$25,000 divided by the average closing price of Stericycle stock during 2017 (or, if lower, the closing price on the date of the option grant) rounded to the nearest whole share.

The BCP provides participants with an excellent opportunity to accumulate wealth if Stericycle stock performs well. A stock investment includes a potential for significant gain as well as an investment risk. The BCP is designed to provide a \$5-for-\$1 replacement ratio or premium for risk so your participation means trading certain cash for uncertain investment gain. With the \$5-for-\$1 replacement ratio, your potential for gain depends on whether Stericycle stock performs well. However, your risk is that Stericycle stock may not appreciate and you may not recover the full amount of your cash bonus forfeited or match the earnings you could have received under an alternative investment.

December 1, 2016 to December 15, 2016	January 1, 2017 – December 31, 2017	January 1, 2017 – March 3, 2017	March 4, 2018 (no later than March 15, 2018)
- Bonus Conversion program (BCP) election period open for 2017 AIP plan year - Forms must be returned by December 15, 2016 Every eligible participant must return a form, even if declining to participate	- Plan Year for the Annual Incentive Plan (AIP) - NOTE: AIP payouts in March 2017 for the 2016 bonus plan year are based on BCP elections made in 2015 and are NOT subject to the BCP election made in December of 2016	- 2017 average stock price determined after market close on 12/31/2017 - 2017 AIP achievement levels and payouts determined and finalized (to be paid March 2018) - 2017 AIP payouts reduced and set aside based on the BCP election made in December 2016. Funds are converted to 5:1 to stock options based on the 2017 average stock price	- AIP Payout date for 2017 plan year. - Stock Options are issued on the March 2018 AIP payout date to all 2017 BCP participants who made an election by December 15, 2016 - Stock Options are issued at the closing strike price on AIP payout date - Participants will be provided notification within 2-3 weeks of this date confirming the options are available to accept within E*Trade

ENROLLMENT

- THE ELECTION FORM IS ATTACHED SEPARATELY AND MUST BE COMPLETED AND RETURNED AS INDICATED ON THE FORM. THIS FORM MUST BE COMPLETED AND RETURNED EVEN IF YOU ELECT NOT TO PARTICIPATE. YOUR PARTICIPATION IN THE BCP IS NOT A STERICYCLE PROMISE THAT YOU WILL RECEIVE A BONUS OF ANY PARTICULAR AMOUNT OR ANY BONUS AT ALL. YOUR ELECTION TO PARTICIPATE IS SUBJECT TO APPROVAL OF THE BCP FOR THE 2017 PROGRAM YEAR.
- An election to participate in the BCP must be made by the election deadline (as noted in your invitation e-mail) to avoid constructive receipt and securities law restrictions. **An election is irrevocable and cannot be changed by the participant after the election deadline.**
- **ELECTION DEADLINE DATE IS: December 15, 2016**

PROGRAM SUMMARY

- Participants may elect to convert up to 100% of their Annual Incentive Plan (AIP) earned for 2017 (minimum of \$1,000 in the aggregate) into a Stericycle non-qualified stock option.
- Participants vest in the stock options immediately.
- An Option term: 10 years – participants have 10 years from date of grant to exercise options.
- Replacement ratio, or premium for risk, is \$5 for options to purchase Stericycle stock for every \$1 of cash bonus forgone.

PROGRAM ELIGIBILITY

- Eligibility: US based Grade level S11 and above as approved by the Board of Directors.
- New employees who start after September 30, 2016, will not be eligible to participate in the BCP for 2017.
- If your employment status changes during the Program Year (for example, due to a transfer to a sales commission position), your election to participate in the BCP for such Program Year will only apply to the AIP bonus that you actually receive. Any sales commissions or other bonus payments that you may receive due to your ongoing employment for the remainder of such Program Year will be disregarded for purposes of your election under the BCP.

PROGRAM CONVERSION CALCULATION DETAILS

- The number of option shares will be equal to (a) 5 times the amount that a participant elected to forgo divided by (b) the average closing price of Stericycle stock during 2017 (or, if lower, the closing price on the date of the option grant). The exercise price per share of the option will be the closing price of Stericycle stock on the date of the option grant which is the same as the payout date as the annual AIP cash bonus.
- Participants forgo all or a portion of their cash bonus (before any withholding tax that would have been taken out) in order to receive stock options. Generally, a participant will be taxed at ordinary income rates on the option gain upon exercise of the stock option. Upon sale of the shares, any additional gain or loss will be taxed as short-term or long-term capital gain or loss depending on the holding period of the stock for tax law purposes.
- If you elect to participate in the BCP, you acknowledge that any tax liabilities, investment outcomes, or other consequences resulting from such election (and any stock options you may receive) will be the sole responsibility of, and will be borne entirely by, you. Stericycle gives no assurance that such consequences will not occur and specifically assumes no responsibility for any such consequences. You are therefore encouraged to consult your own tax advisor before making an election to participate in the BCP.

TERMINATION OF EMPLOYMENT

- If a participant's employment terminates before receiving a stock option for his or her converted bonus/commission (s), the

- participant's election will be canceled as of his or her termination date and all amounts previously withheld will be paid in cash.
- In the event of death, disability, resignation, retirement, or other termination of employment (other than termination for cause), the stock option remains exercisable until the end of the 10-year option term.
- Neither the BCP nor any Option Agreement shall confer upon you any right with respect to continuation of your employment with Stericycle (or any of its subsidiaries or affiliates), nor shall it interfere in any way with Stericycle's right to terminate your employment at any time, with or without cause.

PROGRAM ADMINISTRATION

- If you elect to participate in this BCP you will receive information about your stock option account after the grant date from E* Trade who is the Stock Administration vendor for Stericycle.
- Any stock options you elect to receive will be issued under one or more available Stericycle, Inc. Incentive Stock Plans and the terms of those plan(s) and the related Option Agreement(s) will apply to your stock options received under the BCP. Notwithstanding the foregoing, Stericycle will not be obligated, and will have no liability for any failure, to issue or deliver any stock options unless such issuance or delivery complies with all applicable laws (with such compliance determined solely by Stericycle in consultation with its legal counsel).
- E*TRADE Customer Service Number 800-838-0908 for all stock account related questions.
- Stericycle Program Administrator: Corporate Compensation, Team Member Experience-HR, Northbrook, Illinois.
- Please send all questions via email at Human Resources-Compensation at HRCompensation@Stericycle.com

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Section 4: EX-10.29 (EX-10.29)

EXHIBIT 10.29

Indemnification Agreement

(name)

This Indemnification Agreement (this "Agreement") is entered into by Stericycle, Inc., a Delaware corporation ("Stericycle"), and [name] (the "Indemnitee"), as of [date].

Background:

- A. The potential liabilities and cost of defense of lawsuits filed against corporate officers, directors, employees and agents in connection with the performance of their duties pose a significant deterrent to experienced and capable individuals who might otherwise be willing to serve or to continue to serve as officers, directors, employees or agents of Stericycle.
- B. As an inducement to the Indemnitee to serve or to continue to serve as an officer, director, employee or agent of Stericycle, Stericycle desires to provide the Indemnitee with specific contractual assurances of indemnification protection to the fullest extent permitted by law.

Now, therefore, in consideration of their mutual promises, Stericycle and the Indemnitee agree as follows:

1. **Definitions**

Certain capitalized terms used in this Agreement are defined in the attached Exhibit A.

2. **Indemnification**

Stericycle shall indemnify the Indemnitee against all Judgments and Expenses that the Indemnitee suffers or incurs in connection with any pending, completed or threatened Proceeding (other than a Derivative Proceeding) to which the Indemnitee is or was or is threatened to be made a party, or in which the Indemnitee is or was or is threatened to be made a witness or other participant, by reason of any action or inaction by the Indemnitee while providing Covered Service, whether before or after the date of this Agreement:

- (a) if the Indemnitee acted in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, Stericycle's best interests; or
- (b) in the case of a criminal Proceeding, if the Indemnitee did not have reasonable cause to believe that his or her conduct was unlawful.

The termination of any Proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the Indemnitee did not act in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, Stericycle's best interests or, in the case of a criminal Proceeding, that the Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

3. **Derivative Proceedings**

Stericycle shall indemnify the Indemnitee against all Expenses that the Indemnitee suffers or incurs in connection with the defense or settlement of any pending, completed or threatened Derivative Proceeding to which the Indemnitee is or was or is threatened to be made a party, or in which the Indemnitee is or was or is threatened to be made a witness or other participant, by reason of any action or inaction by the Indemnitee while providing Covered Service, whether before or after the date of this Agreement:

- (a) if the Indemnitee acted in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, Stericycle's best interests; and
- (b) in addition, in the case of any claim, issue or matter as to which the Indemnitee has been adjudged liable to Stericycle, if (and only to the extent that) the court in which the Derivative Proceeding was brought determines upon application that despite the adjudication of liability, but in view of all of the circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnification for those Expenses that the court considers proper.

4. **Advances**

Upon the Indemnitee's written request, Stericycle shall advance the Expenses incurred by the Indemnitee in defending any Proceeding or Derivative Proceeding if the Indemnitee provides Stericycle with the Indemnitee's written undertaking to repay the amounts advanced, without interest, if it is ultimately determined that the Indemnitee is not entitled to indemnification under this Agreement. No security shall be required on the Indemnitee's undertaking.

If the Indemnitee provides this undertaking, Stericycle's obligation to advance the Expenses incurred by the Indemnitee shall continue during the pendency of any action by the Indemnitee under Paragraph 6 to enforce his or her rights under this Agreement, notwithstanding any determination under Paragraph 5 that indemnification is not proper because the Indemnitee failed to meet the applicable standard of conduct.

5. **Procedures**

Except as ordered by a court, indemnification under Paragraph 2 or 3 shall be made only as authorized in the specific case upon a determination that indemnification is proper under the circumstances because the Indemnitee has met the applicable standard of conduct. This determination shall be made as follows:

- (a) by the Board of Directors of Stericycle, by a majority vote of a quorum consisting of directors who were not parties to the Proceeding or Derivative Proceeding; or
 - (b) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum; or
 - (c) if such a quorum is not obtainable, or if it is obtainable but a quorum of disinterested directors directs, by independent legal counsel in a written opinion to the
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Board of Directors; or

(d) by Stericycle's stockholders.

6. **Right To Indemnification**

The Indemnitee's rights under this Agreement may be enforced by the Indemnitee in any court of competent jurisdiction. The burden of proving that indemnification is not appropriate shall be on Stericycle. Neither a determination under Paragraph 5 that indemnification is not proper, nor the fact that a determination has not yet been made, shall be a defense to the Indemnitee's action to enforce his or her rights or create a presumption that the Indemnitee has not met the applicable standard of conduct. If and to the extent that the Indemnitee is successful in asserting his or her rights under this Agreement, Stericycle shall also indemnify the Indemnitee for his or her related Expenses.

7. **Expenses of Successful Defense**

Regardless of any contrary determination under Paragraph 5, Stericycle shall indemnify the Indemnitee against all of his or her Expenses to the extent that the Indemnitee has been successful, on the merits or otherwise, in the defense of any Proceeding or Derivative Proceeding.

8. **Indemnification Not Exclusive**

The rights to indemnification under this Agreement shall not be exclusive of any other rights that the Indemnitee may have under Stericycle's certificate of incorporation or bylaws or under any agreement, vote of disinterested directors, vote of stockholders, or otherwise.

9. **Severability**

If any provision of this Agreement is held invalid, illegal or unenforceable for any reason whatever, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected or impaired in any way, and to the fullest extent possible, the provisions of this Agreement shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

10. **Notice**

The Indemnitee shall give Stericycle notice in writing as soon as reasonably practicable of any Proceeding against him or her for which indemnity will or could be sought under this Agreement. In addition, the Indemnitee shall provide Stericycle with such information and cooperation as it may reasonably require and as shall be within the Indemnitee's power. Notice to Stericycle shall be directed to Stericycle, Inc., 28161 N. Keith Drive, Lake Forest, Illinois 60045 (or such other address as Stericycle shall designate in writing to the Indemnitee). Notice to the Indemnitee shall be directed to the address below the signature of the Indemnitee on this Agreement (or such other address as the Indemnitee shall designate in writing to Stericycle). Notices shall be deemed received three business days after the date postmarked, if sent by prepaid certified mail, return receipt requested, properly addressed or the next business day following dispatch by overnight courier service.

11. **Amendment**

No amendment of this Agreement shall be effective unless it is in writing, makes specific reference to this Agreement and is signed by both Stericycle and the Indemnitee.

12. **Governing Law**

This Agreement shall be governed by the laws of the State of Delaware.

13. **Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same original.

14. **Prior Agreement**

Notwithstanding anything to the contrary in Paragraph 8, this Agreement supersedes and replaces any prior indemnification agreement between Stericycle and the Indemnitee.

15. **Binding Effect**

This Agreement shall be binding on the successors and assigns of Stericycle (including the surviving corporation in the event of any merger to which Stericycle is a party), and shall inure to the benefit of the Indemnitee and his or her heirs and legal representatives. This Agreement shall continue in effect regardless of whether the Indemnitee continues to serve as an officer, director, employee or agent of Stericycle.

[signatures follow on the next page]

In witness, the parties have signed this Agreement.

Stericycle, Inc.

By
[name]
[title]

[n

Address:

Exhibit A

Definitions

Covered Service means (i) service as a director, officer, employee, agent or fiduciary of Stericycle, any Subsidiary, or any employee benefit plan maintained by Stericycle or any Subsidiary and (ii) service at Stericycle's request as a director, officer, employee, agent or fiduciary of any other corporation, partnership, joint venture, trust, enterprise or employee benefit plan.

Derivative Proceeding means a Proceeding by Stericycle or by one or more stockholders in its name and on its behalf.

Expenses means attorneys' fees and other costs and expenses actually and reasonably incurred in connection with the investigation of, preparation for, defense of and appeal of any Proceeding to which the Indemnitee is or was or is threatened to be made a party, or in which the Indemnitee is or was or is threatened to be made a witness or other participant, by reason of any action or inaction by the Indemnitee while providing Covered Service.

Judgments means judgments, fines, penalties and amounts paid in settlement (if the settlement is approved in advance by Stericycle, whose approval shall not be unreasonably withheld), including related interest, assessments and charges.

Proceeding means any action, suit, proceeding or alternative dispute resolution procedure, whether civil, criminal, administrative or investigative in nature, and any hearing, investigation or inquiry that reasonably might be expected to lead to the initiation of any action, suit, proceeding or alternative dispute resolution procedure.

Subsidiary means any corporation, limited liability company, partnership, joint venture, trust or other entity in which, at the time of the Covered Service in question, Stericycle directly or indirectly held a majority of the outstanding equity interests.

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Section 5: EX-21 (EX-21)

Exhibit 21

Subsidiaries of Registrant

US Subsidiaries*

- 1 BFI Medical Waste, Inc. (Delaware)
- 2 Boost GP Acquisition HoldCo, LLC (Delaware)
- 3 Healthcare Waste Solutions, Inc. (Delaware)
- 4 MedServe, Inc. (Delaware)
- 5 MedSolutions, Inc. (Texas)
- 6 Shred-it US HoldCo, Inc. (Delaware)
- 7 Stericycle Communication Solutions, Inc. (Delaware)
- 8 Stericycle Environmental Solutions, Inc. (Delaware) (f/k/a PSC Holdings, Inc.)
- 9 Stericycle International, LLC (Delaware)
- 10 Stericycle Management, LLC (Delaware)
- 11 Stericycle of Puerto Rico, Inc. (Puerto Rico)
- 12 Stericycle Specialty Waste Solutions, Inc. (Delaware)
- 13 The MPB Group, LLC (Delaware)

Non-US Subsidiaries*

- 1 Habitat Ecologico S. A. (Argentina)
- 2 Medam Srl (Mexico)
- 3 SRCL Ireland Limited (Ireland)
- 4 Stericycle Romania, Srl (Romania)
- 5 Stericycle Brazil, Ltd. (Brazil)
- 6 Stericycle Co Ltd. (Japan)
- 7 Stericycle Chile SA (Chile)
- 8 Stericycle Espana SL (Spain)
- 9 Stericycle Europe Sarl (Luxembourg)
- 10 Stericycle International Holdings Ltd (UK)
- 11 Stericycle Netherlands Holdings BV (Netherlands)
- 12 Stericycle Portugal Lda (Portugal)
- 13 Stericycle ULC (Canada)
- 14 Shred-it France SAS (France)
- 15 Shred-it Germany (Germany)
- 16 Stericycle Korea Co Ltd. (Korea)
- 17 Stericycle Australia Pty (Australia)
- 18 Stericycle Puerto Rico (Puerto Rico)
- 19 Shred-it South Africa Pty (Africa)
- 20 Metalchem DRS BVBA (Belgium)

* states or jurisdictions of incorporation or formation are given in parentheses

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Section 6: EX-23 (EX-23)

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- 1) Registration Statements on Form S-8 (File Nos. 333-55156, 333-102097, and 333-115410) each pertaining to the Stericycle, Inc. 2000 Nonstatutory Stock Option Plan, as amended,
- 2) Registration Statements on Form S-8 (File Nos. 333-66544 and 333-192235) pertaining to the Stericycle, Inc. Employee Stock Purchase Plan, as amended,

- 3) Registration Statement on Form S-8 (File No. 333-127353) pertaining to the Stericycle, Inc. 2005 Incentive Stock Plan, as amended,
- 4) Registration Statement on Form S-8 (File No. 333-152877) pertaining to the Stericycle, Inc. 2008 Incentive Stock Plan, as amended,
- 5) Registration Statement on Form S-8 (File No. 333-176165) pertaining to the Stericycle, Inc. 2011 Incentive Stock Plan,
- 6) Registration Statement on Form S-8 (File No. 333-201236) pertaining to the Stericycle, Inc. 2014 Incentive Stock Plan,
- 7) Registration Statement on Form S-8 (File No. 333-214611) pertaining to the Stericycle, Inc. Canadian Employee Stock Purchase Plan, and
- 8) Registration Statement on Form S-3 (File No. 333-206814) of Stericycle, Inc. and in the related Prospectus pertaining to the registration of shares of the Company's common stock, preferred stock, and depositary shares

of our reports dated March 14, 2017, with respect to the consolidated financial statements and schedule of Stericycle, Inc. and Subsidiaries and the effectiveness of internal control over financial reporting of Stericycle, Inc. and Subsidiaries, included in this Annual Report (Form 10-K) of Stericycle, Inc. and Subsidiaries for the year ended December 31, 2016.

/s/ Ernst & Young LLP

Chicago, Illinois
March 14, 2017

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Section 7: EX-31.1 (EX-31.1)

Exhibit 31.1

Rule 13a-14(a)/15d-14(a) Certification

Charles A. Alutto
President and Chief Executive Officer

I, Charles A. Alutto, certify that:

1. I have reviewed this annual report on Form 10-K of Stericycle, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 14, 2017

/s/ CHARLES A. ALUTTO

Charles A. Alutto
President and Chief
Executive Officer
Stericycle, Inc.

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Section 8: EX-31.2 (EX-31.2)

Exhibit 31.2

Rule 13a-14(a)/15d-14(a) Certification

Daniel V. Ginnetti
Executive Vice President and Chief Financial Officer

I, Daniel V. Ginnetti, certify that:

1. I have reviewed this annual report on Form 10-K of Stericycle, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 14, 2017

/s/ DANIEL V. GINNETTI
Daniel V. Ginnetti
Executive Vice President and
Chief Financial Officer
Stericycle, Inc.

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Section 9: EX-32 (EX-32)

Exhibit 32

SECTION 1350 CERTIFICATION

In reference to this annual report on Form 10-K of Stericycle, Inc. we, Charles A. Alutto, President and Chief Executive Officer of the registrant, and Daniel V. Ginnetti, an Executive Vice President and the Chief Financial Officer of the registrant, certify as follows, pursuant to 18 U.S.C. § 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002):

- (a) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (b) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Date: March 14, 2017

/s/ CHARLES A. ALUTTO
Charles A. Alutto
President and Chief
Executive Officer
Stericycle, Inc.

/s/ DANIEL V. GINNETTI
Daniel V. Ginnetti
Executive Vice President and
Chief Financial Officer
Stericycle, Inc.

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Branch Address: _____

CUSTOMER SERVICE AGREEMENT REGULAR SERVICE

Client Information

Sold To Location:

Company Name: _____ Tel: _____ Fax: _____

Address: _____ Unit: _____

City: _____ State: _____ Zip: _____

Regular Service

Collection "C" or Dock Stop "D" Service	Description	Container Type	Service Type	Service Frequency	Quantity	Unit Price

Minimum Charge: \$ _____ per stop Includes: _____

Service commences at installation.

Extra Material Rate(s)

Bankers Box: \$ _____ Binder Box: \$ _____ File Drawer: \$ _____ Blue Bag: \$ _____

Hard Drive: Small or Large: \$ _____ Media: Small or Large: \$ _____

Other: _____ Media Type: _____

Notes: _____

Shred-it guarantees to deliver the highest quality shredding service at all times. Any complaints about the quality of service which have not been resolved in the normal course of business must be sent by registered letter to the local Shred-it General Manager. If Shred-it then fails to resolve any material complaint in a reasonable period of time, Customer may terminate this Agreement provided all containers are paid for at the then current replacement values or returned to Shred-it in good and usable condition.

I have read and agree to the Terms and Conditions on reverse:

Shred-it USA LLC. ("Shred-it") Company _____

Signed: _____

Print Name: _____

Position: _____

Date: _____

Signed _____ (Authorized Signature): _____

Print Name: _____

Position: _____

Date: _____

Terms & Conditions of Shred-it Customer Service Agreement

SAMPLE ONLY: Terms and Conditions would be modified to conform with those of the MSA.

Shred-it USA LLC. ("Shred-it"), its successors and assigns, and Customer, and its successors and assigns, hereby agree to the following:

- Sole Terms.** All services provided by Shred-it to Customer are subject solely to the terms contained herein and any addenda agreed to by the parties in writing and attached hereto, and the then-current Schedule of Ancillary Charges at www.shredit.com ("Schedule"). No term or condition on Customer's purchase order or any other instrument, agreement or understanding shall be binding upon Shred-it unless agreed to by the parties in writing; provided, however, that if a federal, state or local government and agency thereof, or its representative is a party to this Agreement, then any proposed modification, amendment or supplement must be in a writing signed by the President or Executive Vice President of Shred-it. All typographical and clerical errors are subject to correction.
- Shred-it Services.** Shred-it will be the exclusive provider of the following services to Customer at all of its locations:
 - Shred-it will provide all containers and other related equipment on Customer's premises for the collection and storage of all of Customer's paper and other agreed upon materials ("Customer Confidential Materials" or "CCM"). The number of containers will be determined by Shred-it in its discretion after discussions with Customer. Subject to the Schedule, additional containers may be added to this Agreement and shall automatically become a part of and subject to the terms hereof.
 - Shred-it will: (i) collect the CCM on a regularly scheduled and mutually agreed basis and (ii) destroy the CCM using a mechanical device (the "Destruction Process").
 - Within a reasonable time following completion of the Destruction Process, Shred-it will provide Customer with a Certificate of Destruction.
 - An authorized representative of Customer may, at any time, inspect the Destruction Process.
 - Shred-it will recycle or otherwise dispose of the CCM.
- Mass Destruction Services.** At any time during the term of this Agreement and during any Renewal Term, Customer may request that Shred-it perform mass destruction services ("Purge") on a single transaction basis. Both Parties shall execute a Statement of Work setting forth the fees for the Purge and the particulars of the service. Unless otherwise specified in the Statement of Work, the Purge shall be provided in accordance with the terms and conditions set forth in this Agreement. The Statement of Work will be an Addendum to this Agreement and will constitute a part of it.
- Consoles & Equipment.** Containers and any other equipment ("Equipment") provided to Customer by Shred-it are the property of Shred-it. Customer will not file any lien, nor allow to be filed any lien, against any such Equipment. Customer will keep all Equipment in good working order, normal wear and tear excepted. For any Equipment which is moved, damaged, stolen or lost while at Customer's location, Customer shall pay a replacement charge pursuant to the Schedule.
- Service Fee.** Customer will pay the "Service Fee" to Shred-it set forth on the cover page. Notwithstanding anything to the contrary, Customer shall pay the Minimum Charge if Customer declines or cancels a scheduled service or if the Customer's offices are closed during a scheduled service. The Service Fee is fixed for the first year of the Initial Term. In subsequent years of the Initial Term and upon subsequent automatic renewal terms, in its sole discretion, Shred-it reserves the right to increase the amount of each Service Fee from time to time. Shred-it will provide notice of any change in the Service Fee to Customer, which notice may be in the form of an invoice. Customer may reject any changes to the Service Fee within 30 days of receiving notice from Shred-it, provided, however, that upon such rejection by Customer, Shred-it may, at its sole option, immediately terminate this Agreement without penalty to Shred-it or Customer. Any rejection by Customer to such changes to the Service Fee after 30 days of receiving notice from Shred-it may, at Shred-it's option, be considered a termination without cause under Paragraph 10.
- Payment Terms.** Customer agrees to pay the Service Fee and all other amounts due within 30 days of the date of the invoice. Any payments not received by Shred-it on the due date will be subject to an interest charge on the unpaid balance of 1.0% per month (or the maximum amount allowed by law). All payments must be in immediately available U.S. funds. The amount of any and all applicable taxes shall be added to the price and paid by Customer unless Customer has provided Shred-it with exemption certificates acceptable to the taxing authorities.
- Ancillary Charges.** Customer agrees to pay ancillary charges according to the Schedule for services performed by Shred-it. The Schedule is incorporated by reference as if fully set forth herein and is subject to change from time to time in Shred-it's discretion.
- Fuel, Environmental and/or Other Surcharge.** Customer agrees and acknowledges that (a) Shred-it may, upon notice, at any time and from time to time, impose and adjust a fuel, environmental and/or other surcharge of any amount for any duration, all in its sole discretion; (b) notice of any surcharge may be in the form of an invoice; and (c) any surcharge may, from time to time, result in additional profit for Shred-it.
- Term of the Agreement.** This Agreement will remain in force for sixty (60) months ("Initial Term"). Unless a new agreement is signed by both parties, this Agreement will automatically renew (each a "Renewal Term") for additional terms of the same duration unless terminated by either party, by written notice, at least 60 days prior to the expiration of either the Initial Term or any Renewal Term. On termination by either party, Customer will immediately pay Shred-it all outstanding balances for services performed by Shred-it prior to termination of the Agreement (along with all other money due to Shred-it); and upon the termination date, Shred-it shall have the right to retrieve its Equipment from Customer, wherever located.
- Early Termination.** In the event Customer terminates this Agreement without cause prior to the completion of the Initial Term or any Renewal Term, Customer must immediately pay Shred-it (a) all unpaid invoices and interest thereon as provided in Paragraph 6; (b) an amount equal to 50% of the Service Fees due for the remaining term of the Agreement; and (c) a removal fee per Equipment pursuant to the Schedule. Such Service Fees for early termination shall be calculated based on the average Service Fee charged to Customer for all prior months of the Agreement multiplied by the months remaining in the Initial Term or Renewal Term (as applicable).
- Default & Early Termination for Cause.** Either party may immediately terminate this Agreement if the other party fails to cure its breach of this Agreement within 30 days following receipt of written notice of such breach. Notwithstanding anything to the contrary, in the event that Customer fails to pay any amounts owing under this Agreement when due, including by reason of bankruptcy or insolvency, Shred-it may immediately cancel this Agreement in its entirety, retrieve its Equipment from Customer, wherever located, and Customer shall be immediately liable for all amounts identified in Paragraph 10 for Early Termination, all without any liability to Shred-it and without Customer asserting any setoffs or offsets.
- Excused Performance.** In the event either party is prevented, hindered or delayed from the performance of any act required hereunder by reason of strike, lock-out, acts of God, legal process, failure of power or any other similar reason not directly the fault of such party, or by reason of the other party or its agents, then performance of such act shall be excused for the period of delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.
- Prohibited Acts/Compliance With Law.** Customer shall: (a) not store in any Equipment any CCM considered to be highly flammable, explosive, toxic, biohazards, medical waste, or radioactive, or any other materials which are otherwise illegal, dangerous and/or unsafe, and (b) comply with all laws, rules and regulations, including but not limited to, all environmental laws and laws governing the confidentiality, retention and disposition of any CCM.
- Limitation of Liability.** Shred-it is not liable for any loss or damage to or for the repair, replacement or restoration of any CCM or other property of Customer. Shred-it's aggregate liability, if any, arising under this Agreement or the provision of services to Customer is limited to the amount of the Service Fees received by Shred-it from Customer under the Agreement during the twelve month period prior to the alleged liability or breach by Shred-it. In the case of a Purge, Shred-it's liability, if any, arising from the provision of a Purge is limited to the amount of the fees received by Shred-it for the Purge. Notwithstanding the foregoing, in no event will Shred-it be liable for any special, indirect, incidental, consequential, exemplary, or punitive damages, loss of profits or revenue, or loss of use even if informed of the possibility of such damages. To the extent permitted by applicable law, these exclusions and limitations will apply regardless of whether liability arises from breach of contract, warranty, tort (including but not limited to negligence), by operation of law, or otherwise.
- Indemnification, Attorney Fees & Collection Costs.** Customer shall indemnify Shred-it and its parents, subsidiaries, affiliates, successors and assigns, and each of their respective shareholders, members, officers, and directors, from all losses, liabilities, damages, claims, penalties, fees, expenses, judgments and costs (including reasonable attorney's fees and costs) (collectively, "Damages"), as a result of Customer's actual or threatened breach of this Agreement (including, without limitation, any Damages relating to the Equipment, any Damages relating to the CCM, and any Damages relating to the destruction, removal or disclosure of such CCM). In addition to all other legal and equitable remedies, in the event it becomes necessary for Shred-it to enforce the terms of this Agreement, including but not limited to any action to collect sums due hereunder, Shred-it shall be entitled to an award of its reasonable attorney's fees, litigation expenses and costs of collection.
- Miscellaneous.** This Agreement, any addenda attached hereto and agreed to by the parties in writing and the Schedule constitute the entire agreement between the parties, and supersedes any and all prior agreements and arrangements, whether oral or written, between the parties. Any dispute or matter arising in connection with or relating to this Agreement shall be resolved by binding and final arbitration before the American Arbitration Association ("AAA"). The arbitration shall be conducted pursuant to applicable state or federal arbitration law. Any such dispute shall be determined on an individual basis, shall be considered unique as to its facts, and shall not be consolidated in any arbitration or other proceeding with any claim or controversy of any other party. The exclusive jurisdiction and forum for resolution of any such dispute shall lie in the state where the Customer is located at the closest AAA office. The failure of either party to insist upon the performance of any provision of this Agreement, or to exercise any right or privilege granted to that party under this Agreement, will not be construed as waiving that provision or any other provision, and the provision will continue in full force and effect. If any provision is found to be illegal, invalid, or otherwise unenforceable by any judicial or administrative body, the other provisions will not be affected and will remain in full force and effect. Provisions herein which by their very nature are intended to survive termination or cancellation of this Agreement will survive such termination or cancellation, including without limitation Paragraphs 6, 9-11 and 14-16. Any notices to be given by one party to the other hereunder shall be sent by "Certified Mail, Return Receipt Requested," to the Customer at its Head Office identified on the cover page, and if to Shred-it, to the respective Shred-it branch with whom the original contract was signed unless notice of a new address is given and received in accordance with this Section. Customer represents that Shred-it is in no way infringing upon any existing contract between Customer and another service provider.



Branch Address: _____

SERVICE REQUEST

National Account: # _____

1. Client Information

Sold To Location:

Company Name: _____ Tel: _____ Fax: _____
 Address: _____ Unit: _____
 City: _____ State: _____ Zip: _____

2. Service Details

Ship To Location: (service location) Same as Sold to **Multiple Service Locations: #** _____
(attach addendum with location list)

Company Name: _____ Tel: _____ Fax: _____
 Address: _____ Unit: _____
 City: _____ State: _____ Zip: _____

Bill To Location: Same as Sold to Same as Ship to

Company Name: _____ Tel: _____ Fax: _____
 Address: _____ Unit: _____
 City: _____ State: _____ Zip: _____

Payer: Same as Sold to Same as Bill to Same as Ship to

Company Name: _____ Tel: _____ Fax: _____
 Address: _____ Unit: _____
 City: _____ State: _____ Zip: _____

3. Contacts

Primary contact applies to all

Decision Maker Name:

Name: _____ Tel: _____ Email: _____

CSR:

Name: _____ Tel: _____ Email: _____

A/P:

Name: _____ Tel: _____ Email: _____

ALT (Alternate):

Name: _____ Tel: _____ Email: _____

4. Invoice Details

Invoice Type: Local Consolidated Billing Date: _____ (7th, 15th, 22nd, or End of Month)

Note: _____

Payment Method: Check Visa MC AMEX C.O.D. (do not collect credit card information, branch will follow up)

PO# Required: _____ Blanket

Tax Type: (check and attach certificate) Exempt Service Certificate Resale Certificate Direct Buy Certificate



Branch Address: _____

SERVICE REQUEST

5. To Be Completed By Sales Representative

Type of Business: SIC _____ Description: _____
(please see reverse)

Proximity Type: Dense Urban Semi-Urban Remote **Facility Type:** Strip Mall High Rise Low Rise

Customer Location Size: 0-9 Employees 10-199 Employees 200+ Employees National Multi-Location

Hours of Operation: From _____ To _____

Restricted Service Times: From _____ To _____

Standard Container: _____

Gallon Container: _____

Container Type: (if more than 8 attach separate list)

Type	Dept/Floor/Location	Type	Dept/Floor/Location
1. _____	_____	5. _____	_____
2. _____	_____	6. _____	_____
3. _____	_____	7. _____	_____
4. _____	_____	8. _____	_____

11 = Standard Container 25 = Mini Container 16 = 64 Gallon Container 17 = 95 Gallon Container OT = Other

Elevator Access: Yes No N/A Parking

Restrictions: _____

PPE N°: No

Yes

and _____

_____ Avoid Service On: M

T W T F Off

Hours

Service: _____

Start _____ of _____

Day

Instructions: _____

_____ Site

Directions: _____ Call

Ahead: _____

Yes No _____

Special Instructions: _____

6. For Office Use Only

Account Number: _____

Container Delivery Day: _____

Service Day: M T W T F S S

First Shred Date: _____ Estimated Service Duration: _____

Week #: _____ Grid #: _____ Route #: _____ Sequence: WK1 WK2 WK3 WK4

(A)

(B)

(C)

(D)

Routing Spreadsheet Updated: _____ (initials)

DSM: _____ GM: _____

DATE: _____ DATE: _____

Category Description	SIC Code Description	4-digit SIC
Automotive Services	Miscellaneous Automotive Services	7549
	Passenger Car Leasing & Rental	7515
Agricultural Production	Farming and Agricultural	0291
Business Services	Adjustment and Collection Services	7322
	Advertising Agencies	7311
	Commercial Art and Graphic Design	7336
	Commercial Photography	7335
	Credit Reporting Services	7323
	Data Processing and Preparation	7374
	Employment Agencies	7361
	Miscellaneous Business Services	7389
	Secretarial and Court Reporting	7338
	Car Dealers & Gas Stations	Gasoline Service Stations
New Car Dealers		5511
Used Car Dealers		5521
Chemical Products	Pharmaceutical Companies	2834
Communications	Cable and Other Pay Television Services	4841
	Miscellaneous Communications	4899
	Radio Broadcasting Stations	4832
	Television Broadcasting Stations	4833
	Telephone Communication	4813
Construction & Contractors	Construction & Contractors	1799
Eating & Drinking Places	Drinking Places	5813
	Restaurants	5812
Educational Services	Business and Secretarial Schools	8244
	Colleges and Universities	8221
	Elementary and Secondary Schools	8211
	Libraries	8231
	Miscellaneous Educational Services	8299
Engineering, Accounting & Related Services	Accounting, Auditing, and Bookkeeping	8721
	Architectural Services	8712
	Engineering Services	8711
	Facilities Support Services	8744
	Management Consulting Services	8742
	Public Relations Services	8743
	Surveying Services	8713
Executive, Legislative & General Government	Executive and Government Offices	9111
	General Government	9199
	Legislative Bodies	9121
Financial	Federal Reserve Banks (Government)	6011
	National Commercial Banks or Credit Unions	6021
	Miscellaneous Financial	6099
	State Commercial Banks or Credit Unions	6022
Food Stores	Grocery Stores	5411
General Merchandise Stores	Department Stores	5311
	Miscellaneous General Merchandise	5399
	Variety Stores	5331

Category Description	SIC Code Description	4-digit SIC
Health Services	Dental Laboratories	8072
	Home Health Care Services	8082
	Hospitals, General Medical and Surgical	8062
	Medical Laboratories	8071
	Miscellaneous Health Services	8099
	Offices and Clinics of Dentists	8021
	Offices and Clinics of Medical Doctors	8011
	Skilled Nursing Care Facilities	8051
Hotels and Motels	Hotels and Motels	7011
Insurance/Real Estate	Insurance Agents, Brokers, and Service	6411
	Insurance Carriers	6399
	Developers	6552
	Real Estate Agents and Managers	6531
	Title Offices	6541
Justice, Public Order and Safety	Correctional Institutions	9223
	Courts	9211
	Fire Protection	9224
	Police	9221
Legal Services	Legal Services	8111
Manufacturing Industry	Manufacturing	3999
Membership Organizations	Business Associations	8611
	Labor Organizations	8631
	Miscellaneous Organizations	8699
	Professional Organizations	8621
Motor Freight Transportation	Transportation and Trucking	4213
Oil & Gas Extraction	Oil & Gas Companies	1389
Personal Services	Funeral Service and Crematories	7261
	Miscellaneous Personal Service	7299
	Tax Return Preparation Services	7291
Printing & Publishing	Book Publishing	2731
	Commercial Printing	2752
	Magazine Printing	2721
	Newspapers	2711
Residential	Residential	9999
Retail (Miscellaneous)	Drug Stores or Pharmacies	5912
	Miscellaneous Retail Stores	5999
	Office Supply Stores	5943
Security & Commodity Brokers	Investment Advice	6282
	Security Brokers and Dealers	6211
Social Services	Child Day Care Services	8351
	Individual and Family Services	8322
	Job Training and Related Services	8331
	Miscellaneous Social Services	8399
	Residential Care	8361
Veterinary Services	Veterinary Services	0741



Universal Waste MailBack Service Agreement

Customer Info			
Business Name			
Address			
City, St, Zip			
Phone		Fax	
Contact			
Email:			

Billing Info (if different)			
Business Name			
Address			
City, St, Zip			
Phone		Fax	
Contact			
Email:			

Effective Date: **Billing Frequency: Monthly** **Term of Agreement: 60 Months** **Generator EPA ID:**

Service Frequency:	When an order is placed or when a new kit is shipped if order is set to auto-refill
Monthly Fee:	Fee will be determined by the type and number of kits shipped to you

The parties agree as follows:

1. The Effective date of this agreement is _____.
2. Stericycle shall provide Universal Waste MailBack Services to Customer as identified above (the "Services") subject to the terms and conditions set forth below.
3. Customer agrees to comply with all applicable laws, rules, and regulations in its use of the Services and to follow all guidelines for participation in the program provided to it by Stericycle. If material is improperly shipped under this program a rejection fee may apply.

Terms and Conditions

This Service Agreement ("Agreement") between Customer and Stericycle Environmental Solutions, Inc. ("Stericycle"), shall apply to all goods ("Supplies") and services described within by Stericycle to Customer, and shall automatically renew for successive terms ("Extension(s)") equal to the Initial Term unless either of the Parties has given written notice of termination at least 60 days prior to termination of the Initial Term or any successive term. Items offered for transportation must be free of Hazardous residue on external surfaces and be properly segregated to meet U.S. Department of Transportation requirements. All Terms and Conditions, except item 1 below, shall survive this Agreement's termination.

- | | |
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| <ol style="list-style-type: none"> 1. Customer agrees that while this Agreement is in effect, Stericycle has the exclusive right to provide: (a) the Supplies and Services, and (b) all other Supplies and services provided to Customer by Stericycle during the time beginning with the Agreement Effective Date until this Agreement is terminated. 2. If Customer breaches this Agreement by discontinuing Stericycle's service prior to the expiration of its Term or any Extension, or in any other way violates this Agreement in such a way that Stericycle's continued performance is rendered impossible or commercially impracticable, then, in addition to any rights and remedies Stericycle may have at law or in equity, Stericycle shall be entitled to collect from Customer an amount in liquidated damages equal to fifty (50) percent of Customer's average charge on a monthly basis based on the twelve (12) months' billings prior (or based on any lesser period if the Agreement Effective Date is less than twelve months earlier) to the discontinuation of Services, including | <p>Supplies, multiplied by the number of months remaining until the end of the Initial Term or any Extension. Customer hereby acknowledges that Stericycle's damages resulting from the premature termination of Services are impossible to estimate and include lost expenses to subcontractor(s), lost profits, inefficiencies resulting from route changes, increased administrative overhead, unrecoverable training/instruction costs and other elements of injury, and Customer acknowledges further that the foregoing charge is reasonable and is not a penalty.</p> <ol style="list-style-type: none"> 3. In addition to Stericycle's charges for services and products under this Agreement, the Customer shall pay all taxes imposed or levied by any governmental authority with respect to such services or products. These taxes include all sales, use, excise, occupation, franchise and similar taxes and tax-like fees and charges (but do not include any taxes on Stericycle's net income). Stericycle shall cooperate with the Customer to determine |
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the applicability of any exemption certificates that the Customer provides to Stericycle in a timely manner.

4. Stericycle reserves the right to adjust the contract price to account for operational changes it implements to comply with changes in law, to cover increases in the cost of fuel, insurance, or residue disposal, or to otherwise address cost escalation. Stericycle may also impose a surcharge in the event that Stericycle attempts to pick up waste at a Customer location (on either a scheduled pick-up or in response to a Customer request) and, through no fault of Stericycle, either (a) there is no waste for Stericycle to pick up, (b) waste is not ready for pick-up or (c) the Customer location is closed.
5. To the extent that Stericycle provides Customer with any electronic or printed materials (the "Compliance Materials") it provides these materials subject to a limited license to Customer to use the Compliance Materials for Customer's own, non-commercial use. Stericycle may revoke this license at its discretion at any time. Customer may not copy or distribute the Compliance Materials in any manner, not use or republish the Compliance Materials for or to any third party or audience, including but not limited to business/trade groups or associations, chambers of commerce, professional, fraternal or educational associations or reciprocating or cooperating service providers.
6. Customer is responsible for and shall pay for all damage(s) to Stericycle's equipment or Stericycle's Subcontractor's equipment caused by Customer.
7. Customer agrees that Stericycle shall have the option to utilize Subcontractors to provide the Supplies and Services contemplated by this Agreement.
8. Stericycle shall be excused from performance in the event its contractor or destruction facility becomes unavailable for any reason.
9. Customer shall, during the term of this Agreement and for a period of five (5) years thereafter, keep all Stericycle Confidential Information confidential and use such information only for the purposes expressly set forth herein. Stericycle Confidential Information shall mean all information concerning Stericycle which is disclosed to Customer by Stericycle or which results from, or in connection with, any Services performed pursuant to this Agreement. Such information includes, but is not limited to, confidential or proprietary information regarding processes, procedures, pricing, materials, know-how and other data, both technical and nontechnical. Customer shall not disclose Stericycle Confidential Information to any third-party without the prior written consent of Stericycle.
10. Payment terms are net 30 days from invoice date. Stericycle will invoice Customer for Supplies and Services at the rates set forth and any additional costs or expenses owing in accordance with the Agreement. A finance charge equal to 18% per annum, or the maximum amount permitted by law shall be charged to overdue invoices. Stericycle may terminate this Agreement, with or without damages, at any time for non-payment. Stericycle shall be entitled to payment from Customer equal to all costs incurred in collecting payment from Customer including reasonable attorney fees and collection fees (\$500 minimum).
11. Customer shall pay or reimburse Stericycle for any and all expenses, fines, analytical fees, clean-up expenses, transportation fees, storage fees, disposal fees, and reasonable attorney fees incurred by Stericycle, Stericycle's Subcontractor, or destruction facility as a result of Customer's breach of any provision of this Agreement, including, but not limited to, Customer offering waste that is not conforming waste, whether before, on or after the Initial Term or any Extension of this Agreement, to Stericycle, or Stericycle's Subcontractors.
12. Stericycle's aggregate liability to Customer in connection with the performance of Services or otherwise under or in connection with this Agreement shall not, regardless of the legal theory of any claim for damages exceed (i) the fees paid by Customer to Stericycle in the preceding six (6) months or (ii) \$25,000, whichever is less.
13. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, without regard to its choice of law provisions. Each party irrevocably consents and submits to the jurisdiction of the United States District Court for Lake County, Illinois.
14. Any notice under or in connection with this Agreement will be sent by certified mail, return receipt requested, or a nationally recognized overnight courier to the address set forth at the beginning of this Agreement if to Customer or to 2670 Executive Drive, Indianapolis, IN 46241, attention Legal Department if to Stericycle.



Supplementary Definitions

- **Subcontractor** – A vendor hired by Stericycle to provide goods and/or services under this Agreement.
- **Waste** – A Customer’s Hazardous or Non-Hazardous material or Universal Waste that is intended for disposal, treatment, recycling or reuse.
- **Hazardous** - A material that meets the Federal definition as described in 40 CFR Part 261.3 or any applicable state or local regulations.
- **Universal Waste** – A material that meets the Federal definition as described in 40CFR Part 273 or any applicable state or local regulations.
- **Non-Hazardous** – A material that does not meet the definition of either Hazardous or Universal Waste.
- **TSDF** – Treatment, Storage, and Disposal Facilities for Hazardous Waste(s), Non-Hazardous Waste(s), Universal Waste(s) and other recyclable materials.
- **Waste Profile** – A detailed description of a Waste including its physical and chemical properties as required by rule and /or a TSDF.
- **Conforming Waste** - A Waste offered by Customer to Stericycle that matches the characteristics described by the customer prior to shipping the Waste. This description may include, but is not limited to, the applicable analytical results, Waste Profile(s), MSDS(s), Customer knowledge of Waste generating process, and/or Universal Waste specifications.
- **Over pack** – A process that includes packaging certain wastes in a larger container to meet Federal Department of Transportation (DOT) shipping and other safety requirements.
- **Incompatible** – A category of waste materials that must be segregated during handling, storage, transportation and disposal to eliminate potential chemical reactions as required by regulations and to protect public safety.
- **Standard Waste Types** – Straight fluorescent lamps, u-bend, HIDs, compact fluorescent lamps, mercury devices, dry cell batteries, wet cell batteries, primary lithium batteries, non-PCB ballasts, electronic scraps, exit signs containing tritium and smoke detectors containing americium 241.

By signing below, I acknowledge that I am Customer’s authorized officer or agent and have the authority to bind Customer to this Agreement. Customer agrees to be bound by the Terms and Conditions hereof including information provided in subsequent schedules/exhibits.

Customer

Stericycle Environmental Solutions, Inc.

Signature

Signature

Name (please print)

Name (please print)

Title

Date

Title

Date



MAILBACK SERVICES AGREEMENT

Effective Date: //

Service Area:

Customer # -

Service Address

Name: _____

Address 1: _____

Address 2: _____

City/State/Zip: _____

E-Mail: _____

Phone: () - ext. _____ **Fax:** () - - _____

Contact: _____ **Title:** _____

Billing Address (If Different)

Name: _____

Address 1: _____

Address 2: _____

City/State/Zip: _____

E-Mail: _____

Phone: () - ext. _____ **Fax:** () - - _____

Contact: _____ **Title:** _____

Account has multiple sites locations Yes* No
 *If yes see attachment B for list of locations covered by this agreement.

SCOPE OF SERVICES:

Service includes the provision and use of Stericycle Mailback Program products and services for Regulated Medical, Sharps and Amalgam/Mercury Waste.

See pricing on Pricing: Attachment A

Any additional services or products purchased by Customer shall be billed separately according to then-current Stericycle pricing but subject to the terms and conditions of this Agreement.

By signing below I acknowledge that I am Customer's authorized officer or agent and that I have the authority to bind Customer to this Agreement. Customer agrees to be bound by the terms and conditions that appear on the following pages and comply with Stericycle's Waste Acceptance Policy, and any additional attachments or exhibits which are integral parts of this Agreement.

CUSTOMER: X _____ **Name** _____ **Title** _____ **Date** _____

STERICYCLE: X _____ **Name** _____ **Title** _____ **Date** _____

Office, Billing and Contract Address
 4010 Commercial Ave. • Northbrook, IL • 60062

Ph (800) 355-8773 Ext.
Fax - - **Contact:**
Direct 847-943-

TERMS AND CONDITIONS

1a Regulated Medical Waste Mailback Services Medical waste Mailback services must comply with all applicable terms of the United States Postal Service Publication 52 ("Publication 52"). (a) Stericycle shall provide Mailback containers for the collection, transportation, treatment and/or disposal of all Regulated Medical Waste (except Non-conforming Waste) generated by Customer during the term of this Agreement subject to the availability of Mailback Services. During the Agreement, Stericycle shall determine the appropriate designated facility in order to ship Customer's conforming waste. Stericycle may refuse containers that are determined to be Non-conforming Waste as identified in the Waste Acceptance Policy (WAP). (b) Title to Regulated Medical Waste collected from Customer shall transfer and vest in Stericycle upon receipt and acceptance of the container(s) at a designated Stericycle facility. Customer shall have sole responsibility and title to Regulated Medical Waste at all prior times. Customer shall hold title to any Non-Conforming Waste at all times, whether refused for collection or returned to the customer for proper disposal after collection/receipt. (c) All Regulated Medical Waste must be accompanied by a properly completed shipping document pursuant to Publication 52. (d) Customer shall mark all mail pieces with identification number UN 3291. (e) For the purposes of this agreement, "Non-Conforming Waste" is as identified in the Waste Acceptance Policy (WAP) which shall be made part of this Agreement and specifically incorporated herein. Customer represents and warrants that i) the waste presented for disposal will not contain any "hazardous", "toxic", "radioactive" or Non-Conforming Wastes as defined by all applicable laws, regulations and the WAP, ii) the waste strictly conforms to Stericycle's WAP and their local laws and regulations concerning Regulated Medical Waste and iii) they have reviewed the attached WAP and its complete definitions and requirements. (f) Customer shall be liable for any injury, loss or damage resulting from Non-Conforming Waste. Further definitions are part of this Agreement under the current WAP. Stericycle reserves the right to change the WAP at any time to ensure compliance with applicable laws or regulations. A copy of Stericycle's Waste Acceptance Policy may also be obtained from your local Stericycle representative. (g) Customers shall utilize the approved USPS packaging provided in the kit per the instructions specifically.

1b Amalgam/Mercury Waste Mailback Services (a) Upon the request of the Customer Stericycle shall provide containers for the transportation, treatment and disposal of Mercury and Amalgam waste product as listed on the attached Acceptable Material list. (b) Responsibility and title for Amalgam/Mercury waste shipped by customer shall transfer and vest in Stericycle upon the receipt and acceptance of the container(s) at a designated Stericycle facility. Customer shall have title and sole responsibility prior to Stericycle's receipt and acceptance of container(s). Customer shall have title to all Non-acceptable materials including Regulated Medical Waste as defined in WAP at all times, whether refused for collection by shipping agency or returned to the customer for proper disposal after receipt. (c) All shipments must be accompanied by a completed FedEx/UPS PRP return label in order to receive a Certificate of Recycling. (d) Stericycle is solely a distributor of the Mercury Waste Mailback Disposal System ("Disposal System"). Stericycle does not provide any processing, recycling or reclamation services in connection with the Disposal System. STERICYCLE DOES NOT MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE DISPOSAL SYSTEM, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANT ABILITY OR FITNESS FOR A PARTICULAR PURPOSE. It is the responsibility of the purchaser/shipper to determine if the mercury waste placed in the Disposal System meets the items and quantities set forth in the instructions and any other local, state and federal regulations. USE OF THE DISPOSAL SYSTEM IN ANY MANNER NOT PRESCRIBED IN THE INCLUDED INSTRUCTIONS MAY BE A VIOLATION OF LOCAL, STATE OR FEDERAL LAWS. (e) For further clarification see Stericycle's Acceptable/Non-Acceptable Materials List (for Mercury and Amalgam mailback containers only) attached hereto and incorporated herein by reference. A copy may be obtained from your local Stericycle representative and in the kit provided.

2. Term and Pricing The term ("Term") of this Agreement shall be (60) Sixty months from the date of execution of this Agreement. (a) This Agreement shall automatically renew for successive terms of one year each ("Extension Terms") unless either party has given sixty (60) days notice during the six (6) month period prior to the renewal date of its desire to terminate this agreement. All Extension Terms shall be subject to the same terms and conditions as this original Agreement. (b) Customer shall pay the prices for Mailback containers and disposal services (including pre-paid postage) as set forth by the Stericycle mailback representative and the

Pricing, Attachment A, which shall be made part of this Agreement and specifically incorporated herein. Stericycle may adjust the contract prices to account for operational changes it implements, to comply with changes in law, to cover increases in the cost of fuel, insurance, or residue disposal, or to otherwise address cost escalation. In the event there are any changes in shipping/postal rates, Stericycle may also adjust the contract prices to cover the cost increase solely due to changes in shipping/postal rates. (c) Stericycle shall have the right to terminate this Agreement at any time by giving Customer at least sixty (60) days notice in the event that it is unable to continue performing its obligations under this Agreement due to the suspension, revocation, cancellation or termination of any permit or required to perform this Agreement or in the event that a change in any law, regulation or ordinance makes it impractical or uneconomical, in Stericycle's sole discretion, to continue performing this Agreement. (d) On-Site Collection Service: where available and subject to Stericycle approval in each instance, shall be charged a \$175 per stop charge and a per container rate of \$25. (e) Any additional services or products purchased by Customer shall be billed separately according to the then-current Stericycle Pricing but subject to the terms and conditions of this Agreement.

3. Packaging, Shipping (a) Customer agrees to pack, seal and ship the container(s) in strict compliance with the instructions included with the mailback container(s). Any shipping charges that result due to improper packaging, waste segregation, or shipment shall be the sole responsibility of Customer. Stericycle reserves the right to bill such additional charges to Customer. (b) Stericycle shall provide with each mailback container the appropriate form of manifest or other documentation necessary to comply with applicable laws and regulations, as well as instructions for the generator of waste ("Generator") to use the mailback container. If the Generator is returning the container to Stericycle for treatment and disposal, they shall properly complete and sign the manifest prior to placing the container in the U.S. Mail. If the Generator is returning the container purchased from any third party vendor ("Vendor") for treatment and disposal, the Vendor shall also ensure that Generators properly complete and sign any manifest or other documentation prior to placing the container in the U.S. Mail. In the event that the manifest or other documentation is not properly completed by the Generator, as applicable, the Vendor agrees that it shall either (i) take title to the Generator's waste and properly sign the manifest or other required documentation and provide to Stericycle or (ii) provide Stericycle with sufficient customer information to obtain a signed manifest within two (2) business days of Stericycle's request. Stericycle retains the right to return and/or reject, at the expense of the Generator or Vendor, any container that contains an improperly completed manifest or waste not acceptable under applicable laws, regulations or the Stericycle Waste Acceptance Policy. (c) Stericycle warrants that the container complies with applicable standards for shipment from FedEx, UPS or USPS and that it will handle, manage, treat, process, and dispose waste in a safe and workmanlike manner. Other than as expressly warranted herein, Stericycle provides the containers on an "as is" basis and Stericycle disclaims all warranties, express or implied, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose.

4. Billing Stericycle shall provide Customer with periodic invoices, as applicable, for the Services that are due upon receipt. Customer agrees to pay a late charge on any amounts owed to Stericycle that are more than 30 days old, at a rate equal to the lesser of 1 ½% per month or the maximum rate permitted by law. Customer shall bear any costs that Stericycle may incur in collecting overdue amounts from Customer, including, but not limited to, reasonable attorneys' fees and court costs. Should any amounts due pursuant to this Agreement remain unpaid for more than 30 days from the date of the debt's first invoice, Stericycle shall have the option, without notice to Customer, to suspend service under this Agreement until the overdue amounts (plus late charges and collection fees) are paid. In addition to Stericycle's charges for services and products under this Agreement, the Customer shall pay all taxes imposed or levied by any governmental authority with respect to such services or products. These taxes include all sales, use, excise, occupation, franchise and similar taxes and tax-like fees and charges (but do not include any taxes on Stericycle's net income). Stericycle shall cooperate with the Customer to determine the applicability of any exemption certificates that the Customer provides to Stericycle in a timely manner. In the event that Stericycle suspends service under this Agreement, it may, at its option, refuse to accept any Containers sent to it by Customer, irrespective of whether Customer already paid for such Containers.

5. Indemnification Stericycle shall indemnify and hold Customer harmless from any liabilities arising from the gross negligence or willful misconduct of Stericycle in the performance of its obligations under this Agreement. Customer shall indemnify and hold harmless Stericycle from any liabilities arising from the gross negligence or willful misconduct of Customer, which shall include, but not be limited to, failure to properly store, package, label, or segregate Regulated Medical Waste or Amalgam Waste and any liabilities relating to Non-Conforming Waste, whether or not accepted or treated by Stericycle. Each party agrees to pay the reasonable attorneys' fees and costs incurred by the other in bringing a successful indemnification claim under this Paragraph. Customer agrees to pay Stericycle's reasonable attorney's fees incurred for any successful defense by Stericycle of a suit for indemnification brought against Stericycle by Customer.

6. Compliance with Laws Stericycle hereby agrees to carry General Liability, Automobile Liability, and Workmen's Compensation Insurance as required by applicable state law, and to otherwise comply with all federal and state laws, rules and regulations applicable to its performance hereunder. As of the date of this Agreement, Stericycle has all necessary permits, licenses, zoning and other federal, state or local authorizations required to perform the services under this Agreement and will furnish copies of these to Customer upon request. Customer hereby agrees to comply with all federal and state laws, rules and regulations applicable to its handling of Regulated Medical Waste and its performance under this Agreement, including, without limitation, all applicable record keeping, documentation and manifesting requirements. Customer acknowledges that Stericycle has advised Customer of the Regulated Medical Waste service frequency requirements within their state (if applicable), and Customer has determined its desired frequency independent of Stericycle's recommendation. Customer hereby agrees to indemnify and hold Stericycle harmless for any decisions around service frequency by Customer that do not comply with state regulations. Stericycle and Customer shall keep and retain adequate books and records and other documentation including personnel records, correspondence, instructions, plans, receipts, vouchers, copies of manifests and tracking records consistent with and for the periods required by applicable regulations and guidelines pertaining to storage or handling of Regulated Medical Waste and the services to be performed under this Agreement.

7. Excuse of Performance Stericycle shall not be responsible if its performance of this Agreement is interrupted or delayed by contingencies beyond its control, including, without limitation, acts of God, war, blockades, riots, explosion, earthquakes, strikes, lockouts or other labor or industrial disturbances, fires, accidents to equipment, injunctions or compliance with laws, regulations, guidelines or orders of any governmental body or instrumentality thereof (whether now existing or hereafter created).

8. Independent Contractor Stericycle's relationship with Customer pursuant hereto is that of an independent contractor, and nothing in this Agreement shall be construed to designate Stericycle as an employee, agent or partner of or a joint venture with Customer.

9. Exclusivity Customer agrees to use no other Regulated Medical Waste disposal service or method during the Term of this Agreement and any Extension Terms.

10. Amendment and Waiver Only a written instrument executed by the parties shall effect all amendments to this Agreement other than amendments provided in Section 2(b). No waiver shall be effective unless submitted in writing by the party granting such waiver. No waiver of any provision of this Agreement shall be deemed a waiver of any other provision of this Agreement and no waiver of any breach or duty under this Agreement shall be deemed a waiver of any other breach or later instances of the same duty.

11. Savings Clause In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement; this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, unless such finding shall impair the rights or increase the obligations of Stericycle hereunder, in which event, at Stericycle's option, this Agreement may be terminated.

12. Entire Agreement This Agreement (including any attachments, exhibits and amendments made in accordance with Paragraph 10) constitutes the entire understanding and agreement of the parties and cancels and supersedes all prior negotiations, representations, understandings or agreements, whether written or oral, with respect to the subject matter of this Agreement.

13. Governing Law This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois without regard to the conflicts of laws rules of any jurisdiction.

14. Counterparts This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which when taken together shall constitute one and the same instrument. A copy or facsimile of this Agreement shall be as effective as an original.

15. Purchase Orders Any terms or conditions contained in any Purchase Order, Purchase Order Agreement, or other invoice acknowledgment, Order by Customer or proposed at any time by Customer in any manner, which vary from, or conflict with the terms and conditions in the Stericycle Mailback Service are deemed to be material alterations and are objected to by Stericycle without need of further notice of objection and shall be of no effect nor in any circumstances binding upon Stericycle unless expressly accepted in writing. If Customer's standard purchase order form is provided to Stericycle in connection with this Agreement, the terms and conditions for that Purchase Order will be superseded by the provisions of this Agreement and the use of the purchase order shall be only to facilitate Customer's payment of fees to Stericycle. Written acceptance or rejection by Stericycle of any such terms or conditions shall not constitute an acceptance of any other additional terms or conditions.

16. Waste Brokers Stericycle reserves the right to deal solely with the Customer and not with any third party agents of the customer for all purposes relating to this Agreement. Customer represents and warrants to Stericycle that it is the medical waste generator and is acting for its own account and not through a broker or agent. Stericycle shall be entitled to terminate this agreement and seek all available legal remedies, for Customer's breach of this representation and warranty.

WASTE ACCEPTANCE POLICY

1. Introduction

Stericycle policy requires compliance with all applicable regulations regarding the collection, transportation and treatment of regulated medical waste. United States Postal Service Publication 52 (Publication 52) require the generator of regulated medical waste to certify that the packaging and documentation of transported regulated medical waste complies with all Publication 52 regulations regarding waste classification, packaging, labeling and shipping documentation. To ensure that neither Stericycle nor the generator of regulated medical waste violates applicable regulations, it is imperative that all parties understand the rules regarding proper identification, classification, segregation and packaging of regulated medical waste. The purpose of this policy is to summarize the **minimum** requirements for preparing your different waste streams for collection, transportation and treatment. Additional facility or state-specific waste acceptance policies may apply based on permit specifications. Please contact your local representative for further information. You may also call (800) 355- 8773.

2. Regulated Medical Waste

Stericycle accepts medical waste generated in a broad range of medical, diagnostic, therapeutic and research activities. The term "medical waste" includes bio-hazardous, biomedical, infectious or regulated medical waste as defined under federal, state or local laws, rules, regulations and guidelines. Except as defined by Publication 52 regulations, this **excludes** RCRA pharmaceuticals, all DEA scheduled drugs including *controlled substances, bulk chemotherapy, waste containing mercury or other heavy metals, batteries of any type, cauterizers, non-infectious dental waste, chemicals such as solvents, reagents, corrosives or ignitable materials classified as hazardous waste under Federal and State EPA Regulations. In addition, Stericycle cannot accept bulk liquids (trace liquids must be contained via solidifier prior to mailing), radioactive materials, or complete remains (including heads, full torsos and fetuses). Stericycle **cannot accept** these excluded materials packaged as regulated medical waste in the mailback packaging. All lab wastes or materials which contain or have the potential to contain infectious substances arising from those agents listed under 42 CFR 72.3 are strictly prohibited from medical waste by federal law and must be pretreated prior to disposal. Separate protocol and packaging requirements apply for the disposal of non-hazardous pharmaceuticals. Hazardous waste transportation services may be offered in certain geographic locations, under separate contract. Please contact your local representative for details and packaging specifications.

*Un-dispensed from DEA Registrant

3. Amalgam/Mercury Containing Waste

Amalgam/Mercury Waste means (i) Dental Amalgam and materials containing dental amalgam (ii) capsules, (iii) Amalgam dental traps, sludge from traps (iv) clean teeth, (vi) Mercury Thermometers (broken or unbroken) (viii) Breakers, Relays, Switches and Thermostats. **Non-Acceptable Materials** means (i) Cyanides or cyanide-containing materials, (ii) Reactives, (iii) Flammables or Combustibles, (iv) Mercury cleanup materials containing Mercury and Mercury Amalgam, (v) Batteries and Light bulbs containing Mercury, (vi) Organic Mercury Components, (vii) Activated Carbon containing Mercury, (viii) Improperly segregated, bulging, wet or leaking containers, or containers with Mercury product in excess of 1 pound and (ix) Infectious materials such as medical waste and sharps or any Regulated Medical Waste as defined above.

4. Waste Segregation and Packaging

The generator is solely responsible for properly segregating, packaging and labeling of regulated medical waste. Proper segregation and packaging reduces the potential for accidental release of the contents and exposure to employees, USPS workers and the general public. USPS DMM regulations require that all packages of regulated medical waste be prepared for transport in containers meeting the following requirements under the Domestic Mail Manual and per the specifications of the packaging approved by the USPS. It is imperative that generators follow the package closure and shipping document requirements are adhered to ensure that mailback packages are not rejected or returned. **Note:** Loose sharps **ARE NOT** permitted in any wide mouth (pail type) mailback containers. All regulated medical waste must be accompanied by a properly completed shipping document as provided in the kit.

5. **Management of Non--Conforming Waste**

As required by regulation and company policy, USPS reserves the right and may refuse transport of any containers that appear to be non-conforming because of their contents or are improperly packaged, leaking, damaged or likely to create a risk of exposure to employees or the general public. Any non-conforming waste identified in route to or at a USPS location may be returned to the generator for proper packaging or disposal. Stericycle may be required to pick up non-conforming containers from a USPS facility. In the event of such an event additional charges may apply. Proper segregation and packaging is essential to ensure compliant and safe handling, collection, transportation and treatment of regulated medical waste.

ACCEPTED WASTE FOR MEDICAL WASTE MAILBACK CONTAINER

Sharps

Means a medical waste object that is capable of cutting or penetrating skin or packaging material and that is contaminated with a pathogen or may become contaminated with a pathogen derived from the medical treatment, diagnosis, immunization, or biomedical research of a human or animal. Sharps include used medical waste such as needles, syringes, scalpels, broken glass, culture slides, culture dishes, broken capillary tubes, broken rigid plastic, and exposed ends of dental wires. (Wide mouth (pail type) mailback containers cannot contain loose sharps, however smaller sharp containers are acceptable for placement into these larger containers.)

Regulated Medical Waste or Clinical Waste or (Bio) Medical Waste

Means a soft waste material (other than a sharp) derived from the medical treatment, diagnosis, immunization, or biomedical research of a human or animal. Soft medical waste includes items such as used rubber gloves, swabs, gauze, tongue depressors, and other similar material.

WASTE WHICH MUST BE SEGREGATED FOR THE MEDICAL WASTE MAILBACK CONTAINER

Trace Chemotherapy Contaminated Waste

RCRA Empty drug vials, syringes and needles, spill kits, IV tubing and bags, contaminated gloves and gowns, and related materials as defined in applicable laws, rules, regulations or guidelines

MEDICAL WASTE THAT CANNOT BE SHIPPED VIA US MAIL

Pathological Waste

Human or animal body parts, organs, tissues and surgical specimen (decanted of formaldehyde, formalin or other preservatives as required by law)

Non-RCRA Pharmaceuticals*

Must be characterized and certified as non-hazardous (i.e. does not qualify under EPA RCRA regulations) by the generator.

**Consult Stericycle Representative for specific requirements*

WASTE NOT ACCEPTED IN SHARPS/ REGULATED MEDICAL WASTE MAILBACK CONTAINERS BY STERICYCLE

- A. **RCRA Hazardous Pharmaceutical Waste and all DEA controlled drugs including controlled substances***
- B. **Chemicals** Formaldehyde, formalin, acids, alcohol, waste oil, solvents, reagents, fixer developer
- C. **Hazardous Waste** Drums or other containers with a hazard warning symbol, batteries and other heavy metals
- D. **Radioactive Waste** Any container with a radioactivity level that exceeds regulatory or permitted limits; lead-containing materials
- E. **Complete Human Remains (including heads, full torsos and fetuses)**
- F. **Bulk Chemotherapy Waste**
- G. **Compressed Gas Cylinders, Canisters, Inhalers and Aerosol Cans**
- H. **Any Mercury Containing Material or Devices:** Any mercury thermometers, Sphygmomanometers or lab or medical devices
- I. **Mercury-Containing Dental Waste** Non-contact and contact amalgam and products, chairside traps, amalgam sludge or vacuum pump filters, extracted teeth with mercury fillings and empty amalgam

*Consult Stericycle Representative for specific requirements.

Additional waste acceptance policies may apply based on state or permit specific requirements. Hazardous waste transportation services may be offered in certain geographical locations, under separate contract. Please refer to your local Stericycle Representative for additional information and options for possible hazardous waste handling. For additional information on container and labeling requirements contact our Stericycle Products Department at (800) 355-8773.

MERCURY & AMALGAM MAILBACK CONTAINERS








1. Acceptable Materials List







- A. Dental amalgam.
- B. Materials containing dental amalgam.
- C. Amalgam capsules.
- D. Amalgam dental traps.
- E. Sludge from dental traps – **if disinfected.**
- F. Teeth – **if disinfected.**
- G. Intact mercury containing devices.

2. Non-Acceptable Materials List

- 1. Cyanides or cyanide-containing materials.
- 2. Reactives.
- 3. Flammables or combustibles.
- 4. Organic Mercury components.
- 5. Mercury-contaminated soils.
- 6. Activated Carbon containing Mercury.
- 7. Infectious materials such as medical waste and sharps.

APPLICABLE LAWS REQUIRE NO MORE THAN 1 POUND OF MERCURY PRODUCT MAY BE PACKAGED IN A CONTAINER.

Item Number	Item Description	Price Each Delivered
Public / Employee Restroom Sharps Program		
<p>Stainless Steel Cabinet</p>  <p>Item - NDCSTR1</p>	<p>Wall mounted lockable metal cabinet for mounting in public / employee restrooms. Each cabinet includes 2 keys for secure entry into the needle drop cabinet. Each cabinet will include a 1.4 quart sharps container for placement into the cabinet to begin collecting "used sharps". One cabinet needed per each restroom, 1.4 quart mailback replacements sold separately.</p>	<p>Needle drop cabinet w/1.4 quart container</p>
<p>Item - 1Q1V4</p> 	<p>1.4 Quart Mailback System - includes 1.4 quart sharps container, postage prepaid return packaging box, disposal of the waste along with documentation of disposal. 1.4 quart system will hold approx. 50-70 1cc syringes. When 1.4 quart container is full, place back into return packaging box, send to Stericycle for disposal.</p>	<p>Each – 1st replacement for full 1.4 quart sharps container from cabinet</p>
	<p>Total start-up costs for public / employee restroom sharps program (2 cabinets with 2-1.4 quart sharps containers, 1 – 1.4 quart mailback replacement is -- -- per 2 restrooms</p>	<p>Restroom Program</p>
Sharps Waste Collection & Disposal		
<p>Item - 1Q1V4</p> 	<p>1.4 Quart Mailback System - includes 1.4 quart sharps container, postage prepaid return packaging box, disposal of the waste along with documentation of disposal. 1.4 quart system will hold approx. 50-70 1cc syringes. When 1.4 quart container is full, place back into return packaging box, send to Stericycle for disposal.</p>	<p>Price Each</p>
<p>Item - 1G1V4</p> 	<p>1 Gallon Sharps Mailback System – includes 1 gallon sharps container, postage prepaid return packaging box, disposal of the waste along with documentation of disposal. 1 Gallon system will hold approx. 250-270 1cc syringes. When 1 gallon container is full, place back into return packaging box, send to Stericycle for disposal.</p>	<p>Price Each</p>
<p>Item 2G1V4</p> 	<p>2 Gallon Sharps Mailback System – includes 2 gallon sharps container, postage prepaid return packaging box, disposal of the waste along with documentation of disposal. 2 Gallon system will hold approx. 530-570 1cc syringes. When 2 gallon container is full, place back into return packaging box, send to Stericycle for disposal.</p>	<p>Price Each</p>
<p>Item - 3G1V4</p> 	<p>3 Gallon Sharps Mailback System – includes 3 gallon sharps container, postage prepaid return packaging box, disposal of the waste along with documentation of disposal. 3 Gallon system will hold approx. 840-860 1cc syringes. When 3 gallon container is full, place back into return packaging box, send to Stericycle for disposal.</p>	<p>Price Each</p>

Multi-Pak Configurations		
<p>Item - 1G2V4</p> 	<p>2-1 Gallon Sharps Mailback System – includes 2-1 gallon sharps containers, 1 postage prepaid return packaging box, disposal of the waste along with documentation of disposal. Fill each 1 gallon sharps container, place back into return packaging when full, when both 1 gallon sharps containers are full send to Stericycle for disposal. Each 1 gallon sharps container will hold 250-270 1cc syringes, total capacity of 500-540 1cc syringes</p>	<p>Price Each</p>
<p>Item - 2G2V4</p> 	<p>2-2 Gallon Sharps Mailback System – includes 2-2 gallon sharps containers, 1 postage prepaid return packaging box, disposal of the waste along with documentation of disposal. Fill each 2 gallon sharps container, place back into return packaging when full, when both 2 gallon sharps containers are full send to Stericycle for disposal. Each 2 gallon sharps container will hold 530-570 1cc syringes, total capacity of 1060-1140 1cc syringes</p>	<p>Price Each</p>
<p>Item - 1Q5V4</p> 	<p>5-1.4 QT Sharps Mailback System – includes 5-1.4 qt. sharps containers, 1 postage prepaid return packaging box, disposal of the waste along with documentation of disposal. Fill each of the individual sharps containers, place back into return packaging, when all 5 are full, send to Stericycle for disposal. Each 1.4 qt. sharps container will hold 90-95 1cc syringes, total capacity 450-475 1cc syringes.</p>	<p>Price Each</p>
 <p>MBBRKTLC</p>	<p>Universal wall mount brackets for 1.4 quart, 1, 2 & 3 gallon sharps container. You can order the universal bracket with a lock for securing the container within the universal bracket.</p> <p>MBBRKTLC – With lock</p>	<p>Price Each</p>
Disposal of Red Bags / Existing Waste / Existing Sharps Containers		
<p>Item - 1GWMV4</p> <p>1GWMV4</p> 	<p>1 – 1 Gallon Mailback Pail System – includes 1 gallon mailback pail, postage prepaid return packaging box , disposal of the waste along with documentation of disposal. Use for red bag waste or small existing sharps container that may be present. NOT FOR LOOSE SHARPS</p>	<p>Price Each</p>
<p>Item - 5GWMV5</p> <p>5GWMV4</p> 	<p>1 – 5 Gallon Mailback Pail System – includes 5 gallon mailback pail, postage prepaid return packaging box , disposal of the waste along with documentation of disposal. Use for red bag waste or existing sharps containers that may be present. NOT FOR LOOSE SHARPS</p>	<p>Price Each</p>

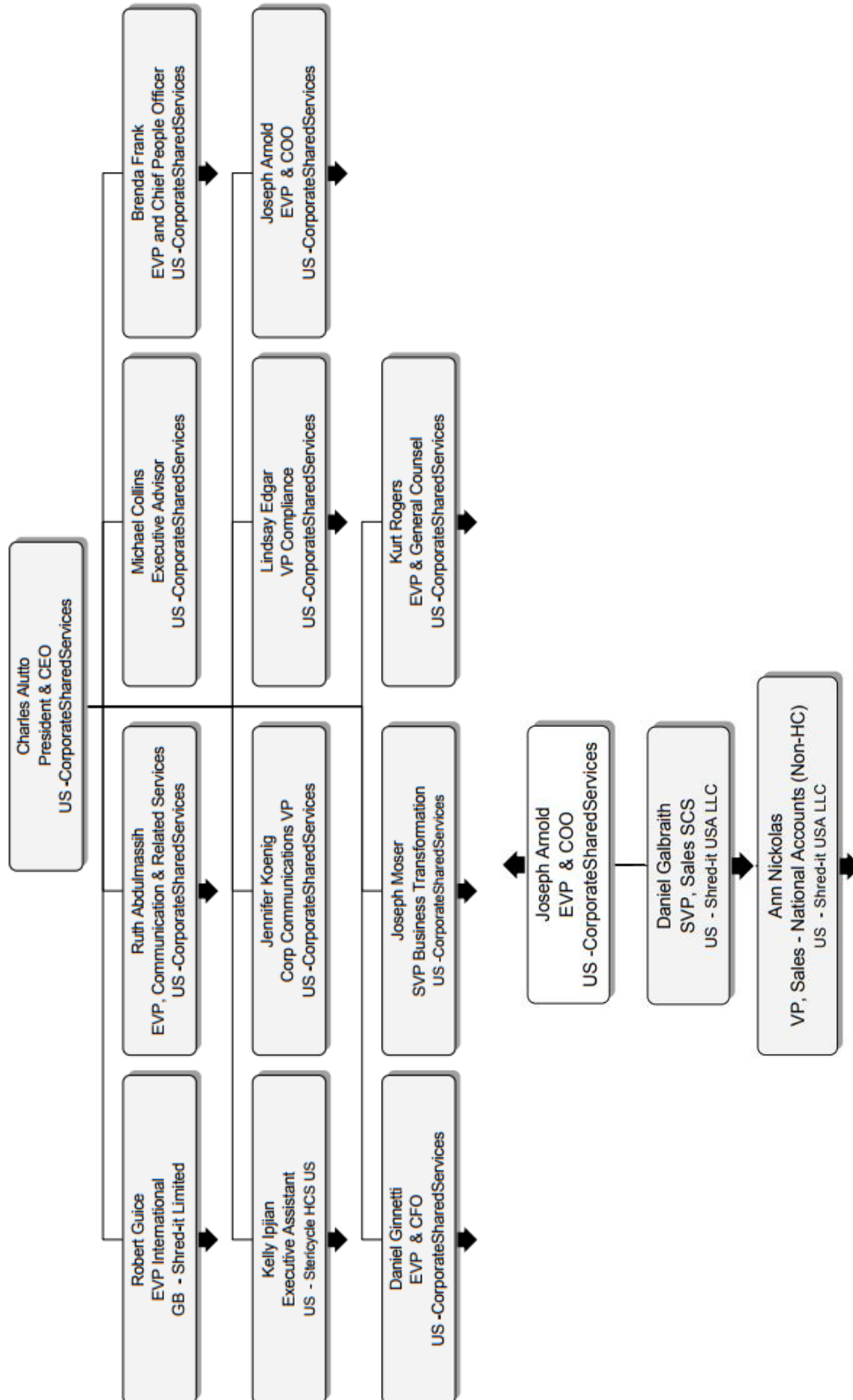
Item - 1GWMSK



The Biohazard Spill Clean-up and Disposal System. The Spill Kit is a complete solution for both clean-up and disposal of biohazardous spills such as blood due to injuries. Each system includes; 1 Gallon Mailback pail system, 2 Pair large Nitrile gloves and 1 Eye / Face shield combination, 1 Gown, 1 Head Cap and 1 pair of shoe covers, 1 4oz. Sanizide plus spray, 1 - 21g green Z absorbent material, 1 scooper and scraper wide plastic, 1 absorbent wiper towel, 1 hand wipe disinfectant, 1 biohazard bag, 1 twist tie, postage pre-paid return packaging for disposal.

Price Each

Attachment B
Customer Locations





Standard Console
 32 Gallon
 36"H x 20.5"W x 16"D
 Floor space: 328 ft²



Desk Console
 18 Gallon
 26"H x 12"W x 19.6"D
 Floor space: 235.5 ft²



Mini Console
 31 Gallon
 26"H x 20.25"W x 19.6"D
 Floor space: 397.4 ft²



65 Gallon Tote
 with High Security Lid
 46"H x 24.5"W x 27.5"D
 Floor space: 673.75 ft²



95 Gallon Tote
 with High Security Lid
 48"H x 25"W x 34.25"D
 Floor space: 856.25 ft²



Shred-it
Branch Address
City State
Zipcode

SERVICE RECORD
CERTIFICATE OF DESTRUCTION
Please keep this for your records.
(THIS IS NOT AN INVOICE)

This year your firm has saved 692.43 trees through recycling shredded paper.

Customer: 10000000

Customer Name
Address
City State Zip

Order: 8000000000

Order Date: 04/28/2016

Customer PO: LOWER LEVEL

Service Type: ON-SITE REGULAR SERVICE.

Contact: Name

Time In: 06:17 PM

Time Out: 06:30 PM

Equip: B0001221021 - LL-153
04.28.2016 06:25 PM

Equip: B0001221022 - LL-118
04.28.2016 06:24 PM

Equip: B0001221076 - LL-118
04.28.2016 06:19 PM

Equip: B0001221030 - PRINT FACTORY
04.28.2016 06:24 PM

Equip: B0001231012 - DREAM LAB
04.28.2016 06:19 PM

Equip: B0001221008 - PRINT FACTORY
04.28.2016 06:20 PM

Equip: B0001223016 - PRINT FACTORY
04.28.2016 06:24 PM

Equip: B0001222117 - 119
04.28.2016 06:22 PM

Equip: B0001221202 - PRINT FACTORY
04.28.2016 06:20 PM

Equip: B0001221703 - PRINT FACTORY
04.28.2016 06:18 PM

Equip: B0001221017 - PRINT FACTORY
04.28.2016 06:26 PM

Equip: B0001221089 - PRINT FACTORY
04.28.2016 06:19 PM

Equip: B0001221035 - 118
04.28.2016 06:17 PM

Equip: B0001221104 - PRINT FACTORY
04.28.2016 06:20 PM

Equip: B0001221919 - 189
04.28.2016 06:20 PM

Equip: B0001221086 - 189
04.28.2016 06:17 PM



Equip: B0001321000 - PRINT FACTORY
04.28.2016 06:22 PM

Equip: B0001521011 - LAB
04.28.2016 06:22 PM

Equip: B0001241015 - PRINT FACTORY
04.28.2016 06:24 PM

Equip: B0001271008 - PRINT FACTORY
04.28.2016 06:26 PM

Equip: B0001281001 - PRINT FACTORY
04.28.2016 06:22 PM

Equip: B0001261018 - 129
04.28.2016 06:23 PM

Equip: B0001211020 - LL-156 STAGING ROOM
04.28.2016 06:25 PM

Service Time: 13 Min

Number of Equip Serviced: 23

Number of Equip Not Accessible: 4

Number of Extra Items Collected: 0

Customer Name: NOT AVAILABLE

CSR Name: Name (Printed)

Shred-it is committed to the secure destruction of its customers' confidential information. This certification will affirm that Shred-it destroys the customer confidential material, pursuant to our customers request and instructions.

The following services are NAID certified:

- Hard Drive Destruction
- Mobile Destruction
- Offsite Destruction

The following services are not NAID certified:

- Non-Paper Destruction

Summary

Order Reference: sharon.bibbs@stericycle.com | Report as of: 02-01-2018 4:10 PM | using Currency as USD

STERICYCLE, INC.

Tradestyle(s): STERICYCLE

ACTIVE **HEADQUARTERS**

Address: 28161 N Keith Dr, Lake Forest, IL, 60045, UNITED STATES
Phone: (847) 367-5910
D-U-N-S: 36-359-6297
In Portfolio: Yes
Tags: No tags
Alerts: No alerts

Failure Score 56	Delinquency Score 57	Age of Business 28 years 1989 Year Started	Employees 25,000 15 (here)
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Recent Alerts

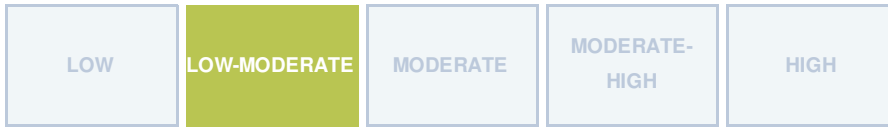
There are no alerts to display.

Company Profile

D-U-N-S 36-359-6297	Mailing Address United States	Annual Sales US\$ 3,562,342,000
Legal Form Corporation (US)	Telephone (847) 367-5910	Employees 25,000 (15 here)
History Record Clear	Fax (847) 367-9493	Age (Year Started) 28 years (1989)
Date Incorporated 03-21-1989	Website www.stericycle.com	Named Principal Charles A Alutto, PRES-CEO
State of Incorporation Delaware	Present Control Succeeded 1989	Line of Business Refuse system
Ownership Public: SRCL (NGS)		

Risk Assessment

Overall Business Risk



Maximum Credit Recommendation

US\$ 27,500,000

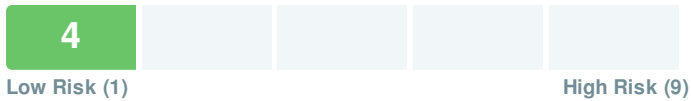
The recommended limit is based on a moderately low probability of severe delinquency.

Dun & Bradstreet Thinks...

- Overall assessment of this organization over the next 12 months: **STABLE CONDITION**
- Based on the predicted risk of business discontinuation: **LIKELIHOOD OF CONTINUED OPERATIONS**
- Based on the predicted risk of severely delinquent payments: **MODERATE POTENTIAL FOR SEVERELY DELINQUENT PAYMENTS**

D&B Viability Rating

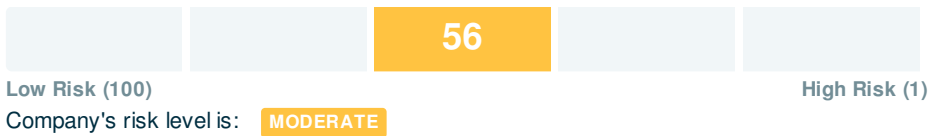
Portfolio Comparison Score



Company's risk level is: **LOW**

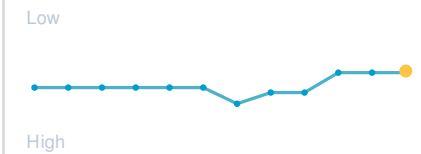
Probability that a company will go out of business, become dormant/inactive, or file for bankruptcy/insolvency within the next 12 months: **0.30 %**

Failure Score Formerly Financial Stress Score



Probability of failure over the next 12 months: **0.20 %**

Past 12 Months

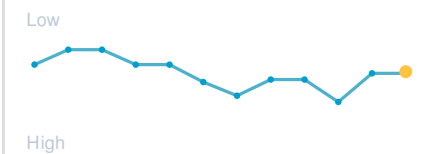


Delinquency Score Formerly Commercial Credit Score

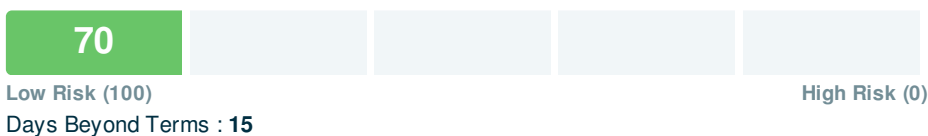


Probability of delinquency over the next 12 months: **5.16 %**

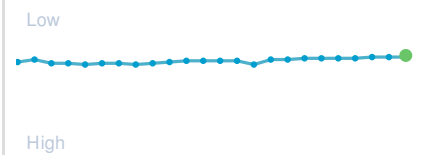
Past 12 Months



PAYDEX ®



Past 24 Months



D&B Rating

Current Rating as of 06-23-2010

Previous Rating

Financial Strength

5A : US\$ 50,000,000 and over in Net Worth or Equity

Risk Indicator

2 : Low Risk

Financial Strength

5A : US\$ 50,000,000 and over in Net Worth or Equity

Risk Indicator

3 : Moderate Risk

Legal Events

Events	Occurrences	Last Filed
Bankruptcies	0	-
Judgements	2	11-14-2017
Liens	3	09-14-2017
Suits	19	11-13-2017
UCC	152	12-13-2017

Trade Payments**Highest Past Due**

US\$ 200,000

Highest Now Owing
US\$ 800,000

Total Trade Experiences
587

Largest High Credit
US\$ 1,000,000

Average High Credit
US\$ 17,651

Ownership

This company is a **Global Ultimate, Domestic Ultimate, Headquarters, Parent**

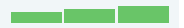
Financial Overview

Source: Edgar

Balance sheet 12-31-2016	Amount (In Single Units)	Last 3 Years
Net Worth:	US\$ 2,805,737,000	
Total Current Assets:	US\$ 773,618,000	
Total Assets:	US\$ 6,980,061,000	
Total Current Liabilities:	US\$ 542,853,000	
Working Capital/Net Current Assets:	US\$ 230,765,000	
Total Liabilities:	US\$ 4,174,324,000	
Long Term Liabilities:	US\$ 3,631,471,000	
Profit & Loss 12-31-2016	Amount (In Single Units)	Last 3 Years
Sales:	US\$ 3,562,342,000	
EBIT:	US\$ 425,932,000	
EBITDA:	US\$ 678,478,000	

Net Income:

US\$ 206,359,000



Key Business Ratios

Ratio for the Business

Current Ratio:	1.43
Quick Ratio:	1.25
Current Liabilities/Net Worth:	0.19
Sales to Net Working Capital:	15.44
Interest Coverage:	4.36
Debt to Equity:	1.49

Country Insight

United States



Risk Category

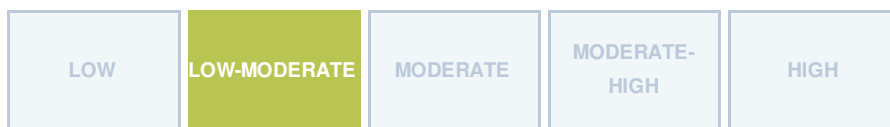


The dollar continues to lose ground against major currencies.

Risk Assessment

D&B Risk Assessment

Overall Business Risk



Maximum Credit Recommendation

US\$ 27,500,000

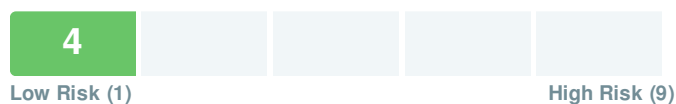
Dun & Bradstreet Thinks...

- Overall assessment of this organization over the next 12 months: **STABLE CONDITION**
- Based on the predicted risk of business discontinuation: **LIKELIHOOD OF CONTINUED OPERATIONS**
- Based on the predicted risk of severely delinquent payments: **MODERATE POTENTIAL FOR SEVERELY DELINQUENT PAYMENTS**

The recommended limit is based on a moderately low probability of severe delinquency.

D&B Viability Rating

Portfolio Comparison Score



Level of risk
Low

Rating Confidence Level
Robust Predictions

Probability of becoming no longer viable

0.30%

Percentage of businesses ranked with this score
13.00%

Average probability of becoming no longer viable
0.60%

Failure Score Formerly Financial Stress Score



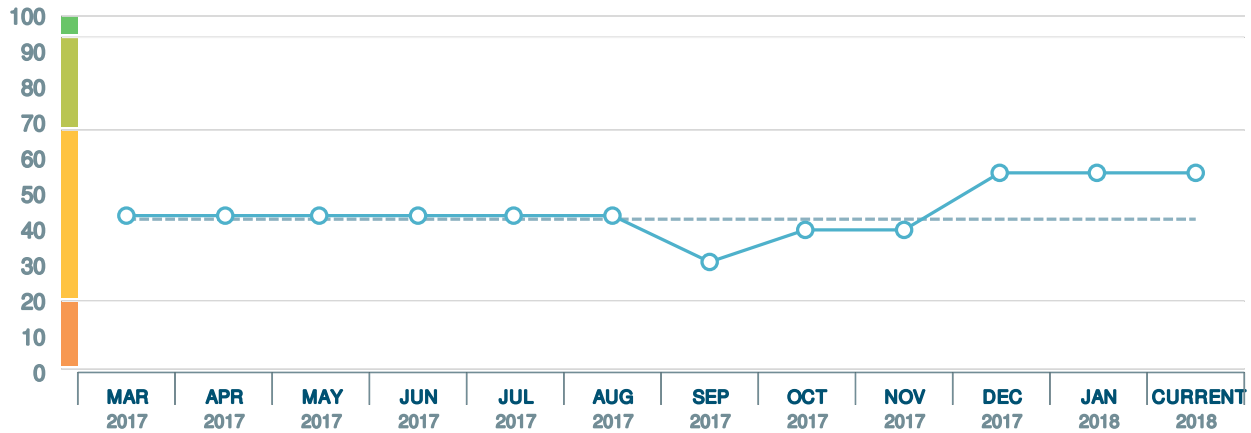
- Low proportion of satisfactory payment experiences to total payment experiences
- UCC Filings reported
- High proportion of slow payment experiences to total number of payment experiences
- High proportion of past due balances to total amount owing
- High number of enquiries to D&B over last 12 months
- Evidence of open liens and judgments

Level of risk
Moderate

Probability of Failure
0.20%

Average Probability of Failure for Businesses in D&B Database
0.48%

Business and Industry Trends



Failure Score



Industry Median Quartile



Delinquency Score Formerly Commercial Credit Score



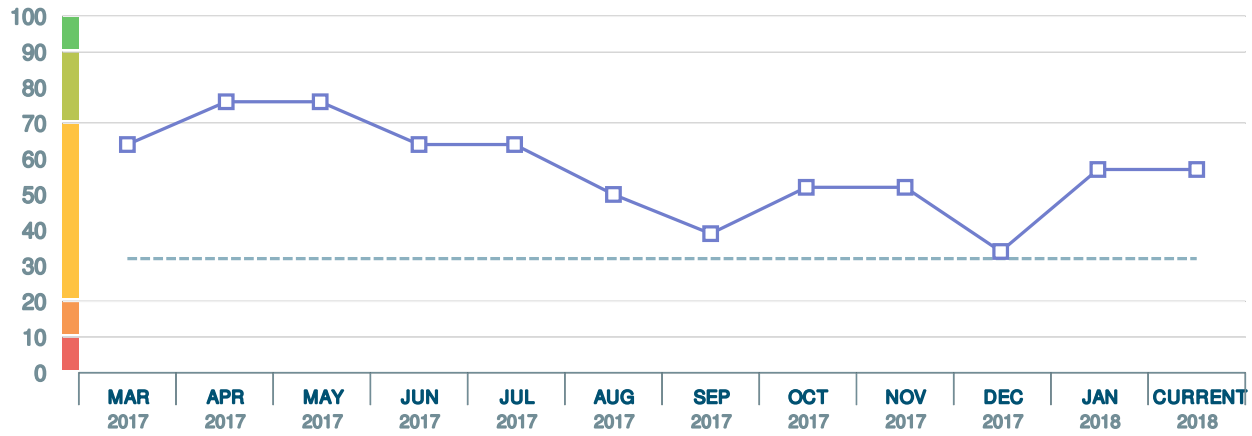
- Proportion of past due balances to total amount owing
- Proportion of slow payments in recent months
- Higher risk industry based on delinquency rates for this industry
- Evidence of open suits, liens, and judgments

Level of risk
Moderate

Probability of Delinquency
5.16%

Compared to Businesses in D&B Database
10.20%

Business and Industry Trends



Delinquency Score

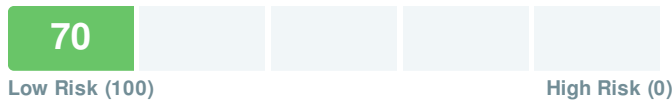


Industry Median Quartile



PAYDEX®

Based on 24 months of data



Risk of Slow Pay

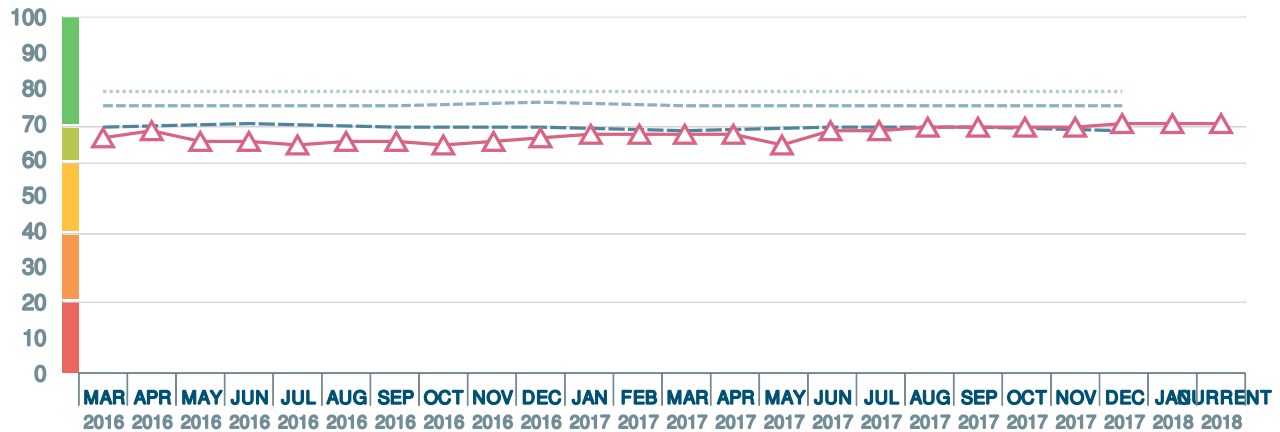
Low

Payment Behavior

15 Days Beyond Terms

Business and Industry Trends

4953 - Refuse system



PAYDEX®



Industry Median Quartile



Industry Upper Quartile



Industry Lower Quartile



D&B Rating

Current Rating as of 06-23-2010

Previous Rating

Financial Strength

5A : US\$ 50,000,000 and over in Net Worth or Equity

Risk Indicator

2 : Low Risk

Financial Strength

5A : US\$ 50,000,000 and over in Net Worth or Equity

Risk Indicator

3 : Moderate Risk

Trade Payments

Trade Payments Summary

Overall Payment Behavior

15

Days Beyond Terms

% of Trade Within Terms

73%

Highest Past Due

US\$ 200,000

Highest Now Owing:

US\$ 800,000

Total Trade Experiences:

587

Largest High Credit:

US\$ 1,000,000

Average High Credit:

US\$ 17,651

Total Unfavorable Comments:

1

Largest High Credit:

US\$ 2,500

Total Placed in Collections:

3

Largest High Credit:

US\$ 0

Trade Payments By Credit Extended

Range of Credit Extended (US\$)	Number of Payment Experiences	Total Value	% Within Terms
100,000 & over	15	US\$ 5,250,000	74
50,000 - 99,999	19	US\$ 1,325,000	74
15,000 - 49,999	47	US\$ 1,190,000	71
5,000 - 14,999	85	US\$ 595,000	72
1,000 - 4,999	156	US\$ 261,000	68
Less than 1,000	170	US\$ 63,400	71

Trade Payments By Industry

Industry Category	Number of Payment Experiences	Largest High Credit (US\$)	% Within Terms (Expand to View)	1 - 30 Days Late (%)	31 - 60 Days Late (%)	61 - 90 Days Late (%)	91 + Days Late (%)
▼ 13 - Oil and Gas Extraction	1	2,500					
1389 - Oil/gas field service	1	2,500	0	100	0	0	0
▼ 14 - Mining and Quarrying of Non-metallic Minerals except Fuels	1	2,500					
1423 - Granite mining	1	2,500	100	0	0	0	0
▼ 15 - Building Construction - General Contractors and Operative Builders	2	500					
1531 - Operative builders	2	500	100	0	0	0	0
▼ 20 - Food and Kindred Products	1	100					
2087 - Mfg extracts/syrup	1	100	0	0	0	100	0
▼ 26 - Paper and Allied Products	3	250,000					
2621 - Paper mill	2	250,000	50	50	0	0	0
2631 - Paperboard mill	1	250	0	100	0	0	0

▼ 27 - Printing, Publishing and Allied Industries	4	10,000						
2711 - Newspaper-print/publ	1	2,500	100	0	0	0	0	0
2752 - Lithographic printing	2	100	100	0	0	0	0	0
2759 - Misc coml printing	1	10,000	0	50	0	0	0	50
▼ 28 - Chemicals and Allied Products	4	30,000						
2812 - Mfg alkalis/chlorine	1	30,000	100	0	0	0	0	0
2819 - Mfg inorganic chemcls	2	1,000	0	0	0	0	0	100
2842 - Mfg cleaning products	1	750	100	0	0	0	0	0
▼ 29 - Petroleum Refining and Related Industries	1	5,000						
2992 - Mfg lubricating oils	1	5,000	100	0	0	0	0	0
▼ 30 - Rubber and Miscellaneous Plastics Products	2	60,000						
3052 - Mfg hose & belting	1	45,000	50	50	0	0	0	0
3089 - Mfg misc plastic prdt	1	60,000	100	0	0	0	0	0
▼ 32 - Stone, Clay, Glass, and Concrete Products	7	7,500						
3231 - Mfg glass products	5	1,000	75	8	0	0	0	17
3274 - Mfg lime	1	7,500	100	0	0	0	0	0
3297 - Nonclay refractories	1	7,500	100	0	0	0	0	0
▼ 34 - Fabricated Metal Products except Machinery and Transportation Equipment	8	15,000						
3411 - Mfg metal cans	1	15,000	50	50	0	0	0	0
3443 - Mfg plate work	2	2,500	83	17	0	0	0	0
3479 - Coating/engrave svcs	1	100	100	0	0	0	0	0
3491 - Mfg industrial valves	4	10,000	44	56	0	0	0	0
▼ 35 - Industrial and Commercial Machinery and Computer Equipment	16	100,000						
3519 - Mfg combustion engine	1	1,000	100	0	0	0	0	0
3535 - Mfg conveyors	1	1,000	100	0	0	0	0	0
3536 - Mfg overhead hoists	2	1,000	100	0	0	0	0	0
3563 - Mfg air/gas compress	1	65,000	100	0	0	0	0	0
3564 - Mfg blowers/fans	1	5,000	0	100	0	0	0	0
3565 - Mfg packaging mach	3	50,000	51	49	0	0	0	0
3571 - Mfg computers	3	100,000	0	100	0	0	0	0
3579 - Mfg misc office eqpt	2	250	100	0	0	0	0	0
3596 - Mfg scales/balances	2	5,000	83	17	0	0	0	0
▼ 36 - Electronic and other electrical equipment and components except computer equipment	1	2,500						
3613 - Mfg switchgear-boards	1	2,500	100	0	0	0	0	0
▼ 37 - Transportation Equipment	3	1,000						
3711 - Mfg car bodies	1	750	0	0	0	0	0	100
3715 - Mfg truck trailers	2	1,000	100	0	0	0	0	0
▼ 38 - Measuring Analyzing and Controlling Instruments; Photographic Medical and Optical Goods; Watches and Clocks	10	2,500						
3822 - Mfg environment cntrl	1	750	100	0	0	0	0	0
3823 - Mfg process controls	4	2,500	32	68	0	0	0	0

3824 - Mfg fluid meters	1	2,500	0	100	0	0	0
3825 - Mfg electric test prd	1	1,000	0	50	0	0	50
3841 - Mfg medical instrmnt	2	2,500	86	14	0	0	0
3861 - Mfg photograph equip	1	1,000	50	50	0	0	0
▼ 40 - Railroad Transportation	1	2,500					
4011 - Railroad	1	2,500	0	100	0	0	0
▼ 42 - Motor Freight Transportation and Warehousing	9	20,000					
4213 - Trucking non-local	9	20,000	7	81	12	0	0
▼ 44 - Water Transportation	2	60,000					
4424 - Domestic sea transprt	2	60,000	65	35	0	0	0
▼ 47 - Transportation Services	1	7,500					
4731 - Arrange cargo transpt	1	7,500	50	50	0	0	0
▼ 48 - Communications	23	1,000,000					
4812 - Radiotelephone commun	3	1,000,000	50	0	50	0	0
4813 - Telephone communictns	19	400,000	99	1	0	0	0
4832 - Radio station	1	50	100	0	0	0	0
▼ 49 - Electric, Gas and Sanitary Services	35	10,000					
4911 - Electric services	26	10,000	87	8	5	0	0
4924 - Natural gas distrib	5	5,000	100	0	0	0	0
4925 - Gas production/distrib	2	7,500	100	0	0	0	0
4939 - Combination utilities	2	500	100	0	0	0	0
▼ 50 - Wholesale Trade - Durable Goods	96	1,000,000					
5012 - Whol motor vehicles	1	2,500	50	0	0	50	0
5013 - Whol auto parts	7	2,500	35	53	12	0	0
5014 - Whol tires/tubes	1	2,500	100	0	0	0	0
5021 - Whol furniture	1	2,500	100	0	0	0	0
5031 - Whol lumber/millwork	1	10,000	50	50	0	0	0
5044 - Whol office equipment	2	250	100	0	0	0	0
5045 - Whol computers/softwr	4	1,000,000	46	42	4	0	8
5049 - Whol misc profsn eqpt	2	500	83	0	0	17	0
5051 - Whol metal	6	7,500	70	24	3	0	3
5063 - Whol electrical equip	8	25,000	58	40	0	2	0
5065 - Whol electronic parts	2	7,500	100	0	0	0	0
5072 - Whol hardware	3	2,500	79	21	0	0	0
5074 - Whol plumb/hydraulics	9	2,500	53	41	6	0	0
5082 - Whol const/mine equip	2	10,000	100	0	0	0	0
5084 - Whol industrial equip	14	15,000	61	8	4	2	25
5085 - Whol industrial suppl	32	900,000	97	1	1	1	0
5088 - Whol transport equip	1	30,000	50	50	0	0	0
▼ 51 - Wholesale Trade - Nondurable Goods	30	400,000					
5112 - Whol office supplies	1	30,000	100	0	0	0	0
5113 - Whol service paper	10	50,000	100	0	0	0	0
5169 - Whol chemicals	12	400,000	98	1	1	0	0

5171 - Petroleum terminal	1	5,000	100	0	0	0	0
5172 - Whol petroleum prdts	5	1,000	89	2	9	0	0
5199 - Whol nondurable goods	1	250	100	0	0	0	0
▼ 52 - Building Materials Hardware Garden Supply and Mobile Home Dealers	1	50					
5231 - Ret paint/wallpaper	1	50	100	0	0	0	0
▼ 55 - Automotive Dealers and Gasoline Service Stations	5	1,000					
5531 - Ret auto supplies	5	1,000	78	0	18	0	4
▼ 59 - Miscellaneous Retail	12	90,000					
5943 - Ret stationery	1	50	100	0	0	0	0
5961 - Ret mail-order house	1	250	100	0	0	0	0
5983 - Ret fuel oil dealer	5	90,000	88	3	0	9	0
5999 - Ret misc merchandise	5	7,500	100	0	0	0	0
▼ 60 - Depository Institutions	12	7,500					
6022 - State commercial bank	4	7,500	99	0	1	0	0
6035 - Federal savings bank	7	2,500	92	8	0	0	0
6091 - Nondeposit trust	1	1,000	100	0	0	0	0
▼ 61 - Nondepository Credit Institutions	53	100,000					
6141 - Personal credit	1	1,000	50	0	50	0	0
6153 - Short-trm busn credit	24	100,000	70	3	25	2	0
6159 - Misc business credit	27	65,000	31	64	5	0	0
6162 - Mortgage banker	1	750	0	100	0	0	0
▼ 62 - Security and Commodity Brokers Dealers Exchanges and Services	6	1,000					
6211 - Security broker/deal	3	1,000	78	0	0	22	0
6282 - Investment advice	3	100	100	0	0	0	0
▼ 70 - Hotels Rooming Houses Camps and other Lodging Places	1	1,000					
7011 - Hotel/motel operation	1	1,000	0	0	100	0	0
▼ 72 - Personal Services	3	35,000					
7218 - Industrial launderer	3	35,000	3	47	0	0	50
▼ 73 - Business Services	50	300,000					
7353 - Hvy const eqpt rental	1	2,500	100	0	0	0	0
7359 - Misc equipment rental	22	40,000	75	13	1	1	10
7361 - Employment agency	4	200,000	98	0	2	0	0
7363 - Help supply service	17	300,000	93	3	4	0	0
7372 - Prepackaged software	1	100,000	100	0	0	0	0
7389 - Misc business service	5	200,000	99	1	0	0	0
▼ 75 - Automotive Repair, Services and Parking	18	75,000					
7513 - Truck rental/leasing	14	75,000	54	35	4	7	0
7537 - Transmission repair	1	2,500	100	0	0	0	0
7538 - General auto repair	3	250	78	0	0	0	22
▼ 76 - Miscellaneous Repair Services	1	2,500					
7699 - Misc repair services	1	2,500	100	0	0	0	0

▼ 87 - Engineering Accounting Research Management and Related Services	15	80,000					
8711 - Engineering services	2	5,000	100	0	0	0	0
8721 - Accounting services	5	20,000	83	9	2	0	6
8734 - Testing laboratory	2	80,000	99	1	0	0	0
8748 - Business consulting	6	30,000	9	91	0	0	0
▼ 91 - Executive Legislative and General Government except Finance	3	15,000					
9111 - Executive office	3	15,000	100	0	0	0	0
▼ 93 - Public Finance Taxation and Monetary Policy	20	25,000					
9311 - Public finance	20	25,000	93	7	0	0	0
▼ 96 - Administration of Economic Programs	1	250					
9651 - Reg misc coml sector	1	250	100	0	0	0	0
▼ 99 - Nonclassifiable Establishments	32	95,000					
9999 - Nonclassified	32	95,000	69	13	0	18	0

Trade Lines

Date of Experience	Payment Status	Selling Terms	High Credit (US\$)	Now Owes (US\$)	Past Due (US\$)	Months Since Last Sale
01/18	Pays Promptly	-	-	100	0	1
01/18	Pays Promptly	-	-	1,000	0	1
01/18	Pays Promptly	-	-	250	0	1
01/18	Pays Promptly	-	-	750	0	1
01/18	Pays Promptly	N30	5,000	0	0	Between 2 and 3 Months
01/18	Pays Promptly	-	2,500	0	0	Between 6 and 12 Months
01/18	Pays Promptly	N30	1,000	0	0	Between 4 and 5 Months
01/18	Pays Promptly	N30	750	0	0	Between 4 and 5 Months
01/18	Pays Prompt to Slow 30+	-	100	50	50	1
01/18	Pays Slow 5+	-	1,000	0	0	Between 4 and 5 Months
01/18	Pays Slow 30+	-	1,000	0	0	Between 2 and 3 Months
01/18	Pays Slow 30-60+	-	2,500	0	0	Between 6 and 12 Months
01/18	Pays Slow 30-90+	-	10,000	0	0	Between 6 and 12 Months
01/18	Pays Slow 120+	-	750	500	500	1
12/17	Pays Promptly	-	400,000	200,000	0	1
12/17	Pays Promptly	-	60,000	55,000	0	1
12/17	Pays Promptly	-	55,000	10,000	0	1
12/17	Pays Promptly	-	40,000	20,000	0	1

12/17	Pays Promptly	-	25,000	15,000	0	1
12/17	Pays Promptly	-	25,000	10,000	0	1
12/17	Pays Promptly	-	15,000	0	0	Between 2 and 3 Months
12/17	Pays Promptly	-	10,000	10,000	0	1
12/17	Pays Promptly	-	7,500	7,500	0	1
12/17	Pays Promptly	-	5,000	0	0	Between 2 and 3 Months
12/17	Pays Promptly	-	5,000	2,500	0	1
12/17	Pays Promptly	-	5,000	2,500	0	1
12/17	Pays Promptly	-	5,000	5,000	0	1
12/17	Pays Promptly	-	2,500	2,500	0	1
12/17	Pays Promptly	N45	2,500	1,000	100	1
12/17	Pays Promptly	-	2,500	2,500	0	1
12/17	Pays Promptly	-	2,500	2,500	0	1
12/17	Pays Promptly	-	2,500	0	0	1
12/17	Pays Promptly	-	1,000	750	0	1
12/17	Pays Promptly	-	1,000	1,000	0	1
12/17	Pays Promptly	-	1,000	750	-	1
12/17	Pays Promptly	N45	1,000	0	0	1
12/17	Pays Promptly	-	750	0	0	Between 2 and 3 Months
12/17	Pays Promptly	-	750	0	0	Between 6 and 12 Months
12/17	Pays Promptly	-	750	0	0	Between 2 and 3 Months
12/17	Pays Promptly	-	750	0	0	Between 2 and 3 Months
12/17	Pays Promptly	N30	750	0	0	Between 6 and 12 Months
12/17	Pays Promptly	-	500	250	0	1
12/17	Pays Promptly	-	500	250	0	1
12/17	Pays Promptly	N30	500	0	0	Between 6 and 12 Months
12/17	Pays Promptly	-	500	0	0	Between 6 and 12 Months
12/17	Pays Promptly	-	500	500	0	1
12/17	Pays Promptly	-	250	250	0	1
12/17	Pays Promptly	-	250	0	0	Between 6 and 12 Months
12/17	Pays Promptly	-	250	100	-	1
12/17	Pays Promptly	-	250	250	0	1
12/17	Pays Promptly	-	250	250	0	1
12/17	Pays Promptly	-	100	0	0	Between 6 and 12 Months
12/17	Pays Promptly	-	100	100	0	1
12/17	Pays Promptly	-	100	100	0	1
12/17	Pays Promptly	N45	50	50	0	1
12/17	Pays Promptly	-	50	0	0	Between 2 and 3 Months
12/17	Pays Promptly	-	50	0	0	Between 4 and 5 Months
12/17	Pays Promptly	-	50	0	0	Between 4 and 5 Months

12/17	Pays Prompt to Slow 5+	-	750	500	0	1
12/17	Pays Prompt to Slow 15+	-	750	750	500	1
12/17	Pays Prompt to Slow 30+	-	95,000	50,000	35,000	1
12/17	Pays Prompt to Slow 30+	-	20,000	15,000	5,000	1
12/17	Pays Prompt to Slow 30+	N30	10,000	10,000	10,000	1
12/17	Pays Prompt to Slow 30+	-	2,500	0	0	Between 4 and 5 Months
12/17	Pays Prompt to Slow 30+	-	2,500	500	0	1
12/17	Pays Prompt to Slow 30+	-	2,500	2,500	0	1
12/17	Pays Prompt to Slow 30+	-	500	0	0	Between 6 and 12 Months
12/17	Pays Prompt to Slow 60+	-	7,500	5,000	0	1
12/17	Pays Prompt to Slow 60+	-	5,000	0	0	1
12/17	Pays Prompt to Slow 60+	-	2,500	2,500	2,500	Between 2 and 3 Months
12/17	Pays Prompt to Slow 90+	PROX	2,500	1,000	500	1
12/17	Pays Prompt to Slow 90+	-	35,000	15,000	5,000	1
12/17	Pays Prompt to Slow 90+	-	2,500	750	0	1
12/17	Pays Slow 5+	N30	20,000	5,000	0	-
12/17	Pays Slow 30+	N30	5,000	5,000	5,000	-
12/17	Pays Slow 30+	-	2,500	0	0	1
12/17	Pays Slow 30+	-	2,500	0	0	Between 6 and 12 Months
12/17	Pays Slow 60+	-	2,500	50	50	1
12/17	Pays Slow 120+	-	1,000	1,000	1,000	Between 2 and 3 Months
12/17	-	Sales COD	0	-	-	1

Legal Events

The following Public Filing data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

Judgements	Liens	Suits	UCC Filings
2	3	19	152
Latest Filing: 11-14-2017	Latest Filing: 09-14-2017	Latest Filing: 11-13-2017	Latest Filing: 12-13-2017

Events

Judgement - Court Judgement

Filing Date	11-14-2017
Filing Number	03971 SCCV099022
Status	Unsatisfied
Date Status Attained	11-14-2017
Received Date	12-02-2017
Debtors	STERICYCLE INC
Creditors	DENNY KUHN
Court	WOODBURY COUNTY SMALL CLAIMS COURT, SIOUX CITY, IA

Judgement - Court Judgement

Filing Date	05-01-2017
Filing Number	17M1 101407
Status	Unsatisfied
Date Status Attained	05-01-2017
Received Date	05-09-2017
Award	US\$ 2,537
Debtors	STERICYCLE INC
Creditors	75TH & EXCHANGE CHECK CASHERS IN
Court	COOK COUNTY CIRCUIT COURT/1ST MUNICIPAL DIVISION, CHICAGO, IL

Lien - Tax Lien

Filing Date	09-14-2017
Filing Number	176928776
Status	Open
Date Status Attained	09-14-2017
Received Date	09-28-2017
Amount	US\$ 825
Debtors	STERICYCLE INC, NORTHBROOK, IL
Creditors	WORKFORCE SERVICES
Court	SALT LAKE COUNTY 3RD DISTRICT COURT, SALT LAKE CITY, UT

Lien - Tax Lien

Filing Date	08-03-2016
Filing Number	DJ 134707 16
Status	Open
Date Status Attained	08-03-2016
Received Date	08-08-2016
Amount	US\$ 1,612
Debtors	STERICYCLE INC, NORTHBROOK, IL
Creditors	DIV OF EMPLOYER ACCOUNTS
Court	SUPERIOR COURT OF NEW JERSEY, TRENTON, NJ

Lien - Tax Lien

Filing Date	01-16-2014
Filing Number	003193517
Status	Open
Date Status Attained	01-16-2014

Received Date	01-16-2014
Amount	US\$ 112,803
Debtors	STERICYCLE INC
Creditors	NYC DEPARTMENT OF FINANCE
Court	NEW YORK COUNTY SUPREME COURT, NEW YORK, NY

Suit -

Filing Date	11-13-2017
Filing Number	2017SC035005
Status	Pending
Date Status Attained	11-13-2017
Received Date	12-07-2017
Plaintiffs	PETERSON, APRIL, GREENFIELD, WI
Defendant	STERICYCLE INC
Defendant	AND OTHERS
Court	MILWAUKEE COUNTY CIRCUIT COURT, MILWAUKEE, WI

Suit -

Filing Date	10-05-2017
Filing Number	CI201704328
Status	Pending
Date Status Attained	10-05-2017
Received Date	11-16-2017
Plaintiffs	BERKLEY JEFFREY W
Defendant	STERICYCLE INC
Defendant	AND OTHERS
Court	LUCAS COUNTY COMMON PLEAS COURT, TOLEDO, OH

Suit -

Filing Date	08-24-2017
Filing Number	CV17885016
Status	Pending
Date Status Attained	08-24-2017
Received Date	11-30-2017
Plaintiffs	DL NATAL
Defendant	STERICYCLE INC
Court	CUYAHOGA COUNTY COMMON PLEAS COURT, CLEVELAND, OH

Suit -

Filing Date	08-24-2017
Filing Number	CV17885018
Status	Pending
Date Status Attained	08-24-2017
Received Date	11-30-2017
Plaintiffs	DL NATAL
Defendant	STERICYCLE INC
Court	CUYAHOGA COUNTY COMMON PLEAS COURT, CLEVELAND, OH

Suit -

Filing Date	04-10-2017
Filing Number	201700343862SCSCNC
Status	Pending
Date Status Attained	04-10-2017
Received Date	04-17-2017
Plaintiffs	CHAVIRA, MD A MEDICAL CORP, ALBERTO
Defendant	STERICYCLE INC
Court	SAN DIEGO COUNTY SMALL CLAIMS COURT/VISTA, VISTA, CA

Suit -

Filing Date	03-06-2017
Filing Number	201700430685V
Status	Pending
Date Status Attained	03-06-2017
Received Date	03-10-2017
Plaintiffs	SHADY GROVE DENTAL CENTER LLC, ROCKVILLE, MD
Defendant	STERICYCLE INC
Court	MONTGOMERY COUNTY CIRCUIT COURT, ROCKVILLE, MD

Suit -

Filing Date	08-17-2016
Filing Number	201600019386-001
Status	Pending
Date Status Attained	08-17-2016
Received Date	08-26-2016
Cause	Breach Of Contract
Amount	US\$ 613
Plaintiffs	MALONE CHECK CASHING LLC, BALTIMORE, MD
Plaintiffs	PARK HEIGHTS CHECK CASHING (TA), BALTIMORE, MD
Defendant	STERICYCLE INC
Court	BALTIMORE CITY DISTRICT COURT, BALTIMORE, MD

Suit -

Filing Date	04-06-2016
Filing Number	CV16861507
Status	Dismissed
Date Status Attained	06-28-2016
Received Date	12-22-2016
Plaintiffs	DEBBIE NATAL
Defendant	STERICYCLE INC, WARREN, OH
Defendant	AND OTHERS
Court	CUYAHOGA COUNTY COMMON PLEAS COURT, CLEVELAND, OH

Suit -

Filing Date	11-04-2015
Filing Number	201500326085SCSCCTL
Status	Dismissed
Date Status Attained	05-10-2016
Received Date	06-24-2016

Plaintiffs	PENALOSA, JOSE
Defendant	STERICYCLE, NORTHBROOK, IL
Court	SAN DIEGO COUNTY SMALL CLAIMS COURT/SAN DIEGO, SAN DIEGO, CA

Suit -

Filing Date	10-27-2015
Filing Number	201510022CT
Status	Pending
Date Status Attained	10-27-2015
Received Date	11-11-2015
Plaintiffs	MAIN LINE INTERNAL MEDICINE LLC
Defendant	STERICYCLE INC.
Court	CHESTER COUNTY PROTHONOTARY, WEST CHESTER, PA

UCC Filing - Continuation

Filing Date	03-06-2017
Filing Number	89232155-1
Received Date	03-10-2017
Original Filing Date	06-25-2012
Original Filing Number	89232155
Secured Party	UNITED STATES OF AMERICA, ACTING THROUGH THE FARM SERVICE AGENCY, HILLSBORO, OR
Debtors	KINNEY, RON DAMIEN, DAYTON, OR
Debtors	and OTHERS
Filing Office	SECRETARY OF STATE/UCC DIVISION, SALEM, OR

UCC Filing - Original

Filing Date	04-28-2015
Filing Number	2015 1804862
Received Date	06-02-2015
Collateral	Account(s) and proceeds - General intangibles(s) and proceeds - Chattel paper and proceeds - Contract rights and proceeds - and OTHERS
Secured Party	CROWN CREDIT COMPANY, NEW BREMEN, OH
Debtors	STERICYCLE, INC., KANSAS CITY, KS
Filing Office	SECRETARY OF STATE/UCC DIVISION, DOVER, DE

UCC Filing - Original

Filing Date	03-17-2015
Filing Number	2015 1109825
Received Date	04-17-2015
Collateral	Account(s) and proceeds - General intangibles(s) and proceeds - Chattel paper and proceeds - Leased Computer equipment and proceeds - Leased Vehicles and proceeds
Secured Party	BANC OF AMERICA LEASING & CAPITAL, LLC, PROVIDENCE, RI
Debtors	STERICYCLE, INC.
Filing Office	SECRETARY OF STATE/UCC DIVISION, DOVER, DE

UCC Filing - Original

Filing Date	02-25-2015
Filing Number	2015 0791276

Received Date 03-27-2015

Collateral Account(s) and proceeds - General intangibles(s) and proceeds - Chattel paper and proceeds - Leased Computer equipment and proceeds - Leased Equipment and proceeds

Secured Party BANC OF AMERICA LEASING & CAPITAL, LLC, PROVIDENCE, RI

Debtors STERICYCLE, INC.

Filing Office SECRETARY OF STATE/UCC DIVISION, DOVER, DE

UCC Filing - Original

Filing Date 01-10-2014

Filing Number 2014 0127217

Received Date 01-31-2014

Collateral Account(s) and proceeds - General intangibles(s) and proceeds - Computer equipment and proceeds - Chattel paper and proceeds - Equipment and proceeds

Secured Party BANC OF AMERICA LEASING & CAPITAL, LLC, PROVIDENCE, RI

Debtors STERICYCLE, INC.

Filing Office SECRETARY OF STATE/UCC DIVISION, DOVER, DE

UCC Filing - Continuation

Filing Date 06-06-2013

Filing Number 2013 2150473

Received Date 07-23-2013

Original Filing Date 06-30-2008

Original Filing Number 2008 2228185

Secured Party MB FINANCIAL BANK, N.A., ROSEMONT, IL

Debtors STERICYCLE, INC.

Filing Office SECRETARY OF STATE/UCC DIVISION, DOVER, DE

UCC Filing - Original

Filing Date 06-25-2012

Filing Number 89232155

Received Date 07-05-2012

Collateral All Inventory including proceeds and products - All Account(s) including proceeds and products - All Farm products/crops including proceeds and products - All General intangibles(s) including proceeds and products - and OTHERS

Secured Party UNITED STATES OF AMERICA, ACTING THROUGH THE FARM SERVICE AGENCY, HILLSBORO, OR

Debtors KINNEY, RON DAMIEN, DAYTON, OR

Debtors and OTHERS

Filing Office SECRETARY OF STATE/UCC DIVISION, SALEM, OR

UCC Filing - Amendment

Filing Date 06-13-2011

Filing Number 2011 2254608

Received Date 07-07-2011

Original Filing Number 6209220 3

Secured Party CISCO SYSTEMS CAPITAL CORPORATION

Debtors STERICYCLE, INC.

Filing Office SECRETARY OF STATE/UCC DIVISION, DOVER, DE

UCC Filing - Continuation

Filing Date	05-24-2011
Filing Number	2011 1954588
Received Date	07-07-2011
Original Filing Date	06-19-2006
Original Filing Number	6209220 3
Secured Party	CISCO SYSTEMS CAPITAL CORPORATION, SAN JOSE, CA
Debtors	STERICYCLE, INC.
Filing Office	SECRETARY OF STATE/UCC DIVISION, DOVER, DE

UCC Filing - Original

Filing Date	03-23-2010
Filing Number	1003235258918
Received Date	04-04-2010
Collateral	All Accounts receivable and proceeds - All General intangibles(s) and proceeds - All Equipment and proceeds
Secured Party	CANON FINANCIAL SERVICES, MT LAUREL, NJ
Debtors	STERICYCLE INC
Filing Office	SECRETARY OF STATE/UCC DIVISION, ALBANY, NY

UCC Filing - Original

Filing Date	12-31-2008
Filing Number	013926794
Received Date	01-08-2009
Collateral	Accounts receivable and proceeds - General intangibles(s) and proceeds - Leased Equipment and proceeds
Secured Party	CANON FINANCIAL SERVICES, MT LAUREL, NJ
Debtors	STERICYCLE INC
Filing Office	SECRETARY OF STATE/UCC DIVISION, SPRINGFIELD, IL

UCC Filing - Original

Filing Date	09-11-2008
Filing Number	013618577
Received Date	09-22-2008
Collateral	Accounts receivable and proceeds - General intangibles(s) and proceeds - Leased Equipment and proceeds
Secured Party	CANON FINANCIAL SERVICES, MT LAUREL, NJ
Debtors	STERICYCLE INC
Filing Office	SECRETARY OF STATE/UCC DIVISION, SPRINGFIELD, IL

UCC Filing - Amendment

Filing Date	09-08-2008
Filing Number	2008 3032115
Received Date	10-09-2008
Collateral	Leased Inventory and proceeds - Leased Communications equipment and proceeds - Leased Machinery and proceeds - Leased Equipment and proceeds
Original Filing Date	06-30-2008
Original Filing Number	2008 2228185
Secured Party	MB FINANCIAL BANK, N.A., ROSEMONT, IL
Debtors	STERICYCLE, INC.
Filing Office	SECRETARY OF STATE/UCC DIVISION, DOVER, DE

UCC Filing - Original

Filing Date	06-30-2008
Filing Number	2008 2228185
Received Date	08-04-2008
Collateral	Leased Inventory and proceeds - Leased Communications equipment and proceeds - Leased Machinery and proceeds - Leased Equipment and proceeds - Leased Computer equipment and proceeds
Secured Party	MB FINANCIAL BANK, N.A., ROSEMONT, IL
Debtors	STERICYCLE, INC.
Filing Office	SECRETARY OF STATE/UCC DIVISION, DOVER, DE

UCC Filing - Original

Filing Date	06-19-2006
Filing Number	6209220 3
Received Date	09-06-2006
Collateral	Leased Inventory and proceeds - Chattel paper and proceeds
Secured Party	CISCO SYSTEMS CAPITAL CORPORATION, SAN JOSE, CA
Debtors	STERICYCLE, INC.
Filing Office	SECRETARY OF STATE/UCC DIVISION, DOVER, DE

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If it is indicated that there are defendants other than the report subject, the lawsuit may be an action to clear title to property and does not necessarily imply a claim for money against the subject.

A lien holder can file the same lien in more than one filing location. The appearance of multiple liens filed by the same lien holder against a debtor may be indicative of such an occurrence.

Special Events

11-17-2017

WORK FORCE CHANGES: According to published reports, Stericycle announced that it has laid off 335 employees.

11-11-2017

EARNINGS UPDATE: According to published reports, comparative operating results for the 9 months ended September 30, 2017: Revenue of \$2,692,906,000, Net Income of (\$46,566,000); compared to Revenue of \$2,655,946,000, Net Income of \$188,998,000 for the comparable period in the prior year.

08-24-2017

STOCK/BOND ISSUANCE/REDEMPTION/REPURCHASE: According to published reports, Stericycle, Inc. announced that its board of directors has declared a dividend of \$13.125 per share on the companys 5.25% Series A Mandatory Convertible Preferred Stock, to be paid in cash on September 15, 2017 to holders of record as of September 1, 2017. This equates to \$1.3125 per depositary share, each of which represents a 1/10th interest in a share of the mandatory convertible preferred stock.

08-05-2017

EARNINGS UPDATE: According to published reports, comparative operating results for the 6 months ended June 30, 2017: Revenue of \$1,810,132,000, Net Income of (\$85,635,000); compared to Revenue of \$1,765,802,000, Net Income of \$123,825,000 for the comparable period in the prior year.

05-05-2017

EARNINGS UPDATE: According to published reports, comparative operating results for the 3 months ended March 31, 2017: Revenue of \$892,399,000, Net Income of \$58,557,000; compared to Revenue of \$874,181,000, Net Income of \$77,595,000 for the comparable period in the prior year.

Company Profile

Company Overview

D-U-N-S

36-359-6297

Legal Form

Corporation (US)

History Record

Clear

Date Incorporated

03-21-1989

State of Incorporation

Delaware

Ownership

Public: SRCL (NGS)

Mailing Address

United States

Telephone

(847) 367-5910

Fax

(847) 367-9493

Website

www.stericycle.com

Present Control Succeeded

1989

Annual Sales

US\$ 3,562,342,000

Employees

25,000 (15 here)

Age (Year Started)

28 years (1989)

Named Principal

Charles A Alutto, PRES-CEO

Line of Business

Refuse system

Business Registration

Corporate and business registrations reported by the secretary of state or other official source as of: 04-21-2012

This data is for informational purposes only, certification can only be obtained through the Office of the Secretary of State.

Registered Name

STERICYCLE, INC.

Corporation Type

Corporation (US)

Business Commenced On	1989
State of Incorporation	DELAWARE
Date Incorporated	03-21-1989
Registration ID	2191014
Registration Status	STATUS NOT AVAILABLE
Filing Date	03-21-1989
Where Filed	SECRETARY OF STATE/CORPORATIONS DIVISION

Registered Agent

Name	THE CORPORATION TRUST COMPANY
Address	CORPORATION TRUST CENTER 1209 ORANGE STREET, WILMINGTON, DE, 198010000

Principals

Officers

MARK C MILLER, CHB+
CHARLES A ALUTTO, PRES-CEO+
BRENT ARNOLD, EXEC V PRES-COO
DANIEL V GINNETTI, EXEC V PRES-CFO
JOHN P SCHETZ, EXEC V PRES-GENERAL COUNSEL

Directors

DIRECTOR(S): The officers identified by (+) and Brian P Anderson, Lynn B Bleil, Thomas D Brown, Thomas F Chen, Rod F Dammeyer, William K Hall, Robert S Murley, John Patience, Jack W Schuler and Mike S Zafirovski.

Company Events

The following information was reported on: 04-11-2017

The Delaware Secretary of State's business registrations file showed that Stericycle, Inc. was registered as a Corporation on March 21, 1989, under the file registration number 2191014.

Business started 1989.

The company's common stock is traded on the NASDAQ Global Select Market under the symbol "SRCL". As of March 1, 2017, there were 98 stockholders of record. As of March 28, 2016, the most recent date available, those shareholders identified by the company as beneficially owning 5% or more of the outstanding shares were: The Vanguard Group, Inc. (8.4%); BlackRock, Inc. (6.5%) and Brown Advisory Incorporated (5.7%). As of the same date, officers and directors as a group beneficially owns 3.3% of the outstanding shares.

RECENT EVENTS.

On October 1, 2015, the company completed its previously announced acquisition of Shred-it International ULC, an Alberta unlimited liability corporation (SII), Shred-it JV LP, an Ontario limited partnership (Shred-it JV), Boost GP Corp., an Ontario corporation (Boost GP), and Boost Holdings LP, an Ontario limited partnership (together with SII, Shred-it JV and Boost GP, Shred-it) for an aggregate purchase price of \$2.3 billion.

On March 5, 2015, the company completed the acquisition of Chemical Analytics, Inc. With the acquisition, Chemical Analytics, Inc. will now operate as a subsidiary of the company.

MARK C MILLER. Director since 1992. On May 25, 2016, he transitioned into the role of Chairman of the Board after serving as Executive Chairman of the company since January 2013.

CHARLES A ALUTTO. Director since 2012. He has served as President and CEO since January 2013. He joined the company in May 1997.

BRENT ARNOLD. He was named as COO during 2015. He joined the company in April 2005 and has worked in various leadership positions. He has more than 24 years of experience primarily focused in the healthcare industry.

DANIEL V GINNETTI. He was named as CFO during 2014. He joined the company as Area Vice President of Finance in 2003.

JOHN P SCHETZ. He has served as Executive Vice President and General Counsel since April 2015 after serving in other various roles with the company since joining in 2009.

BRIAN P ANDERSON. Director since 2017. He is the former Executive Vice President of Finance and CFO of OfficeMax Incorporated.

LYNN D BLEIL. Director since 2015. She retired in November 2013 as a Senior Partner (Director) in the Southern California Office of McKinsey.

THOMAS D BROWN. Director since 2008. From 1974 until his retirement in 2002, he held various sales, marketing and management positions at Abbott Laboratories.

THOMAS F CHEN. Director since 2014. He served as Senior Vice President and President of International Nutrition of Abbott Laboratories before retiring in 2010.

ROD F DAMMEYER. Director since 1998. He is the Chairman of CAC, LLC.

WILLIAM K HALL. Director since 2006. He is a private equity investor who served from 2000 to 2009 as Chairman of the Board and CEO of Procyon Technologies, Inc.

ROBERT S MURLEY. Director since 2017. He serves as the Chairman of Educational Testing Service, Inc.

JOHN PATIENCE. Director since 1989. He is a co-founder and Partner of Crabtree Partners LLC.

JACK W SCHULER. Director since 2008. He is the company's Lead Director. He served as the company's Chairman from January 1990 to August 2008.

MIKE S ZAFIROVSKI. Director since 2012. He is the founder and President of The Zaf Group LLC.

Business Activities And Employees

The following information was reported on: 04-11-2017

Business Information

Trade Names	STERICYCLE
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Description

The company, together with its subsidiaries, provides regulated and compliance solutions to the healthcare, retail, and commercial businesses. The company collects and processes regulated and specialized waste for disposal services; and collects personal and confidential information for secure destruction, as well as offers training, consulting, recall/return, communication, and compliance services. Its products and services include medical waste management, reusable sharps disposal management, pharmaceutical waste, and hazardous waste management services; integrated waste stream solutions program; sustainability and recycling services for expired or unused inventory; secure information destruction and hard drive destruction services; and regulated recall and returns management communication, logistics, and data management services for expired, withdrawn, or recalled products.

The company also offers compliance programs under the Steri-Safe, Clinical Services, SeguriMed, and EnviroAssure brand names; live voice and automated communication services, including afterhours answering, appointment scheduling, appointment reminders, secure messaging, and event registration; and mailback solutions for regulated medical waste, universal wastes, pharmaceutical wastes, and other specialty wastes.

TRADEMARK (S): Stericycle, Steri-Safe, Stericycle ExpertRECALL, Sustainable Solutions, Bio Systems, LiveAnswer, Shred-it, Securit, Community Shred-it, Making Sure its Secure, and the company's logo service mark consisting of a nine-circle design.

Terms are Net 20 days and on contract basis. Sells to commercial concerns. Territory : International.

Employees 25,000 which includes officer(s). 15 employed here.

Financing Status Secured

Financial Condition Strong

Seasonality Nonseasonal.

Facilities Leases premises in a building.

Location Suburban business section on main street.

SIC/NAICS Information

SIC Codes	SIC Description	Percentage of Business
4953	Refuse system	-
49539904	Medical waste disposal	-

NAICS Codes	NAICS Description
562211	Hazardous Waste Treatment and Disposal

Government Activity**Activity Summary**

Borrower(Dir/Guar)	No
Administrative Debt	No
Contractor	Yes
Grantee	No
Party excluded from federal program(s)	No

Possible candidate for socio-economic program consideration

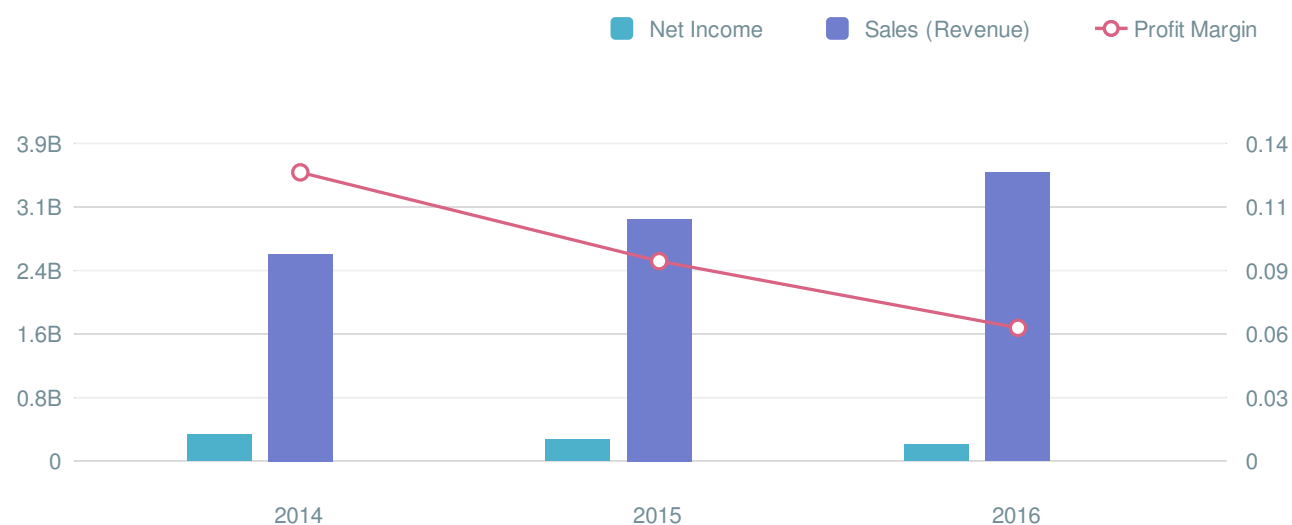
8(A) Firm	Yes
Labor Surplus Area	Yes
Small Business	Yes

Financials

Income Statement

Source: Edgar | Currency: All figures shown in USD unless otherwise stated

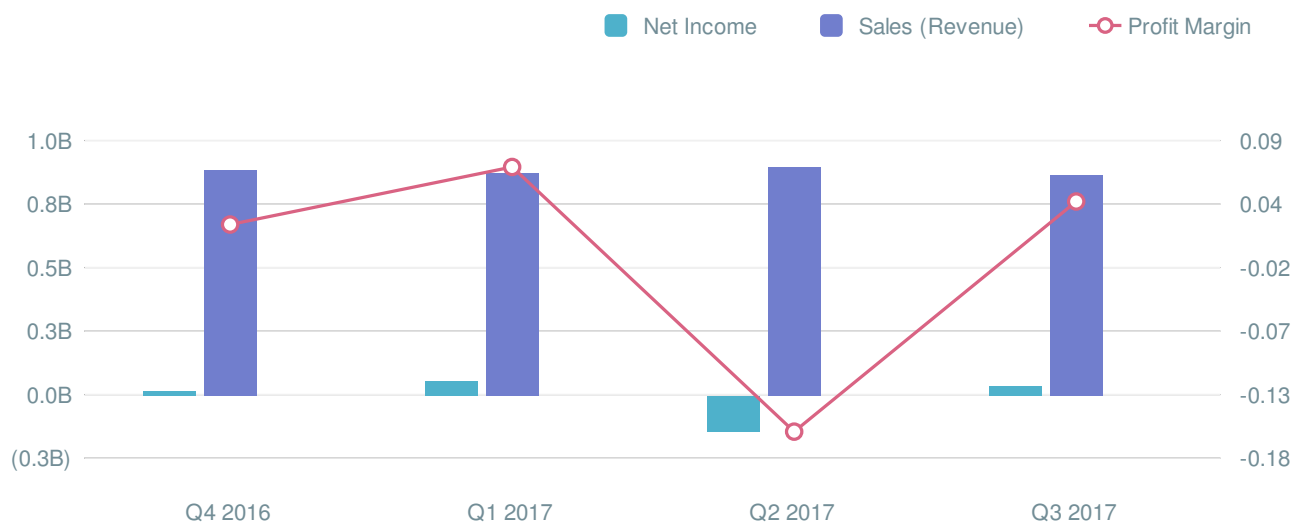
Annual



Total Current Assets	Fiscal Consolidated 12-31-2016	Fiscal Consolidated 12-31-2015	Fiscal Consolidated 12-31-2014	Last 3 Years
Sales (Revenue)	3,562,342,000	2,985,908,000	2,555,601,000	
Cost of Revenue	2,060,388,000	1,719,723,000	1,461,190,000	
Gross Profit	1,501,954,000	1,266,185,000	1,094,411,000	
Sales and General Admin	904,179,000	712,803,000	489,937,000	
Research and Development Expense	-	-	-	-
Non-Recurring Expenses	-	-	-	-
Other Operating Items	164,000,000	65,770,000	48,138,000	
Operating Income	433,775,000	487,612,000	556,336,000	
Net Total Other Income and Expenses	(7,843,000)	793,000	(2,626,000)	
Earnings Before Interest and Taxes	425,932,000	488,405,000	553,710,000	
Interest Expense	97,787,000	77,498,000	66,142,000	
Earnings Before Tax	328,145,000	410,907,000	487,568,000	
Income Tax Expense	120,246,000	142,894,000	159,422,000	
Equity Earnings or Loss	-	-	-	-
Minority Interest Expense	1,540,000	967,000	1,690,000	

Net Income from Continuing Operations	206,359,000	267,046,000	326,456,000	
Discontinued Operations	-	-	-	-
Effect of Accounting Changes	-	-	-	-
Extraordinary Items	-	-	-	-
Net Income	206,359,000	267,046,000	326,456,000	
Preferred Stocks & Other Adjustments	(28,129,000)	(10,106,000)	0	
Net Income Applicable to Common Shares	178,230,000	256,940,000	326,456,000	

Quarterly



	Q3 09-30-2017	Q2 06-30-2017	Q1 03-31-2017	Q4 12-31-2016	Last 4 Quarters
Total Current Assets					
Sales (Revenue)	882,774,000	917,733,000	892,399,000	906,396,000	
Cost of Revenue	514,735,000	535,981,000	523,737,000	524,619,000	
Gross Profit	368,039,000	381,752,000	368,662,000	381,777,000	
Sales and General Admin	237,815,000	538,150,000	218,841,000	272,395,000	
Research and Development Expense	-	-	-	-	-
Non-Recurring Expenses	-	-	-	-	-
Other Operating Items	36,621,000	35,956,000	35,272,000	40,755,000	
Operating Income	93,603,000	(192,354,000)	114,549,000	68,627,000	
Net Total Other Income and Expenses	(2,123,000)	(1,579,000)	(1,470,000)	(7,457,000)	
Earnings Before Interest and Taxes	91,480,000	(193,933,000)	113,079,000	61,170,000	
Interest Expense	24,631,000	23,772,000	23,374,000	24,647,000	
Earnings Before Tax	66,849,000	(217,705,000)	89,705,000	36,523,000	
Income Tax Expense	27,780,000	(73,513,000)	31,148,000	17,622,000	
Equity Earnings or Loss	-	-	-	-	-

Minority Interest Expense	31,000	(150,000)	368,000	157,000	
Net Income from Continuing Operations	39,038,000	(144,042,000)	58,189,000	18,744,000	
Discontinued Operations	-	-	-	-	-
Effect of Accounting Changes	-	-	-	-	-
Extraordinary Items	-	-	-	-	-
Net Income	39,038,000	(144,042,000)	58,189,000	18,744,000	
Preferred Stocks & Other Adjustments	(3,589,000)	(4,726,000)	(4,801,000)	(6,023,000)	
Net Income Applicable to Common Shares	35,449,000	(148,768,000)	53,388,000	12,721,000	

Statement Information

Profit and Loss Information

From JAN 01 2017 to SEP 30 2017 sales \$2,692,906,000; cost of goods sold \$1,505,169,000. Gross profit \$1,187,737,000; operating expenses \$1,171,939,000. Operating income \$15,798,000; other income \$251,000; other expenses \$77,200,000; net income before taxes \$(61,151,000); Federal income tax \$(14,585,000); (net loss) \$46,566,000.

Source Information

Statement obtained from Securities And Exchange Commission. Prepared from books without audit.

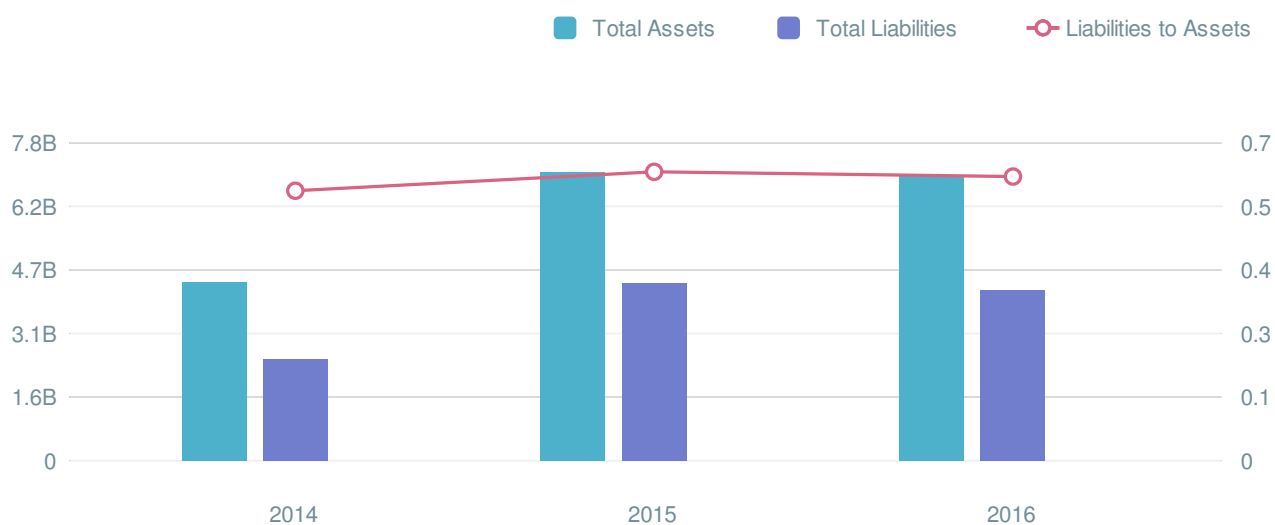
Statement Explanation

Explanations: The net worth of this company includes intangibles.

Balance Sheet

Source: Edgar | Currency: All figures shown in USD unless otherwise stated

Annual



Assets	Fiscal Consolidated 12-31-2016	Fiscal Consolidated 12-31-2015	Fiscal Consolidated 12-31-2014	Last 3 Years
Cash and Cash Equivalents	44,189,000	55,634,000	22,236,000	
Short Term Investments	62,000	69,000	380,000	
Net Trade Receivables	634,902,000	614,494,000	465,473,000	
Inventory	-	-	-	-
Other Current Assets	94,465,000	91,631,000	63,805,000	
Total Current Assets	773,618,000	761,828,000	551,894,000	
Fixed Assets	723,894,000	665,602,000	460,408,000	
Long Term Investments	-	-	-	-
Deferred Long Term Asset Charges	-	-	-	-
Other Assets	29,556,000	36,995,000	32,523,000	
Goodwill	3,591,020,000	3,758,177,000	2,418,832,000	
Total Assets	6,980,061,000	7,065,163,000	4,373,302,000	
Accumulated Amortization	-	-	-	-
Intangible Assets	1,861,973,000	1,842,561,000	909,645,000	

Liabilities	Fiscal Consolidated 12-31-2016	Fiscal Consolidated 12-31-2015	Fiscal Consolidated 12-31-2014	Last 3 Years
Accounts Payable	381,407,000	346,531,000	246,339,000	
Short Term and Current Long Term Debt	72,822,000	161,409,000	131,969,000	
Other Current Liabilities	88,624,000	79,409,000	82,599,000	
Total Current Liabilities	542,853,000	587,349,000	460,907,000	
Long Term Debt	2,877,315,000	3,040,352,000	1,527,246,000	
Deferred Long Term Liability Charges	645,371,000	608,272,000	403,847,000	
Negative Goodwill	-	-	-	-
Minority Interest	10,649,000	17,947,000	22,173,000	
Other Liabilities	98,136,000	81,352,000	64,117,000	
Misc Stocks, Options & Warrants	-	-	-	-
Total Liabilities	4,174,324,000	4,335,272,000	2,478,290,000	

Shareholder Equity	Fiscal Consolidated 12-31-2016	Fiscal Consolidated 12-31-2015	Fiscal Consolidated 12-31-2014	Last 3 Years
Preferred Stocks	7,000	8,000	0	
Common Stocks	852,000	849,000	849,000	
Retained Earnings	2,006,064,000	1,868,645,000	1,743,371,000	
Treasury Stocks	-	-	-	-
Capital Surplus	1,166,457,000	1,143,020,000	289,211,000	
Other Equity	(367,643,000)	(282,631,000)	(138,419,000)	

Total Equity

2,805,737,000

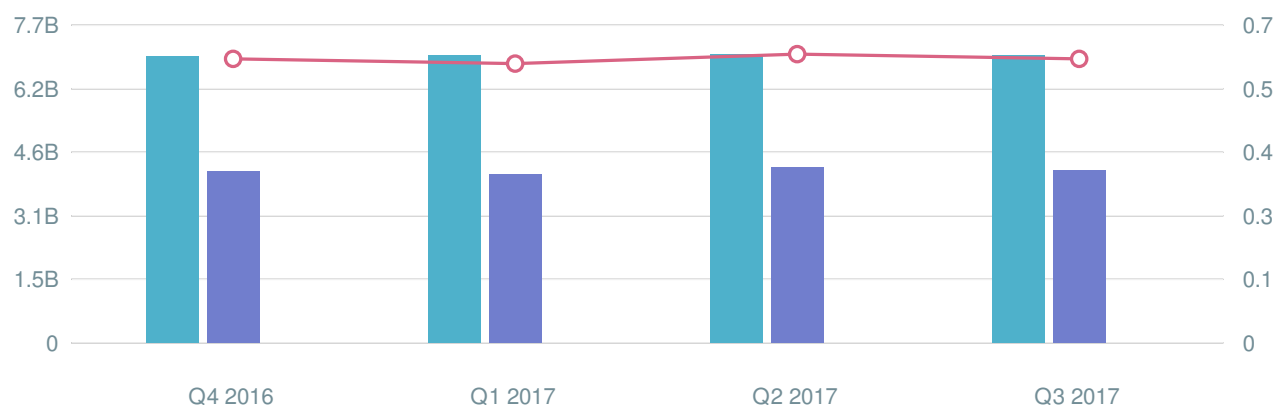
2,729,891,000

1,895,012,000



Quarterly

■ Total Assets ■ Total Liabilities ○ Liabilities to Assets



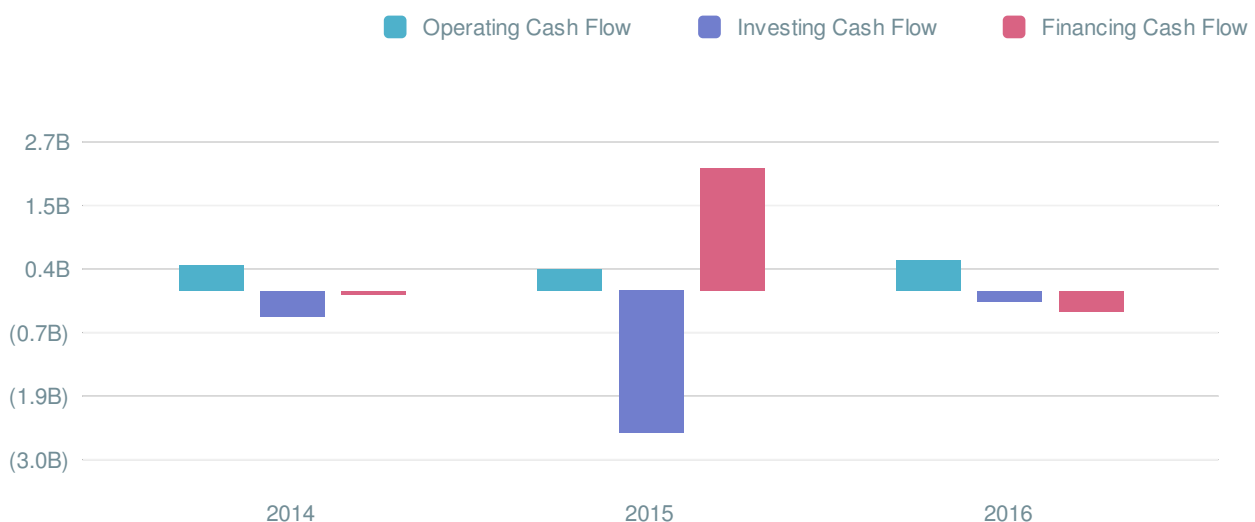
Assets	Q3 09-30-2017	Q2 06-30-2017	Q1 03-31-2017	Q4 12-31-2016	Last 4 Quarters
Cash and Cash Equivalents	52,171,000	44,191,000	47,023,000	44,189,000	
Short Term Investments	-	-	-	62,000	-
Net Trade Receivables	627,904,000	639,611,000	615,348,000	634,902,000	
Inventory	-	-	-	-	-
Other Current Assets	114,631,000	112,312,000	97,553,000	94,465,000	
Total Current Assets	794,706,000	796,114,000	759,924,000	773,618,000	
Fixed Assets	729,571,000	733,770,000	725,420,000	723,894,000	
Long Term Investments	-	-	-	-	-
Deferred Long Term Asset Charges	-	-	-	-	-
Other Assets	35,433,000	30,997,000	31,510,000	29,556,000	
Goodwill	3,638,574,000	3,637,182,000	3,622,793,000	3,591,020,000	
Total Assets	7,016,362,000	7,037,497,000	6,996,856,000	6,980,061,000	
Accumulated Amortization	-	-	-	-	-
Intangible Assets	1,818,078,000	1,839,434,000	1,857,209,000	1,861,973,000	
Liabilities	Q3 09-30-2017	Q2 06-30-2017	Q1 03-31-2017	Q4 12-31-2016	Last 4 Quarters
Accounts Payable	737,802,000	711,172,000	376,990,000	381,407,000	
Short Term and Current Long Term Debt	122,189,000	111,400,000	96,301,000	72,822,000	

Other Current Liabilities	112,676,000	92,661,000	106,270,000	88,624,000	
Total Current Liabilities	972,667,000	915,233,000	579,561,000	542,853,000	
Long Term Debt	2,633,732,000	2,749,818,000	2,767,035,000	2,877,315,000	
Deferred Long Term Liability Charges	501,647,000	513,949,000	657,865,000	645,371,000	
Negative Goodwill	-	-	-	-	-
Minority Interest	11,338,000	10,878,000	11,305,000	10,649,000	
Other Liabilities	89,595,000	97,681,000	99,914,000	98,136,000	
Misc Stocks, Options & Warrants	-	-	-	-	-
Total Liabilities	4,208,979,000	4,287,559,000	4,115,680,000	4,174,324,000	
Shareholder Equity	Q3 09-30-2017	Q2 06-30-2017	Q1 03-31-2017	Q4 12-31-2016	Last 4 Quarters
Preferred Stocks	7,000	7,000	7,000	7,000	
Common Stocks	854,000	853,000	853,000	852,000	
Retained Earnings	1,946,133,000	1,910,684,000	2,059,452,000	2,006,064,000	
Treasury Stocks	-	-	-	-	-
Capital Surplus	1,147,082,000	1,155,131,000	1,161,983,000	1,166,457,000	
Other Equity	(286,693,000)	(316,737,000)	(341,119,000)	(367,643,000)	
Total Equity	2,807,383,000	2,749,938,000	2,881,176,000	2,805,737,000	

Cash Flow

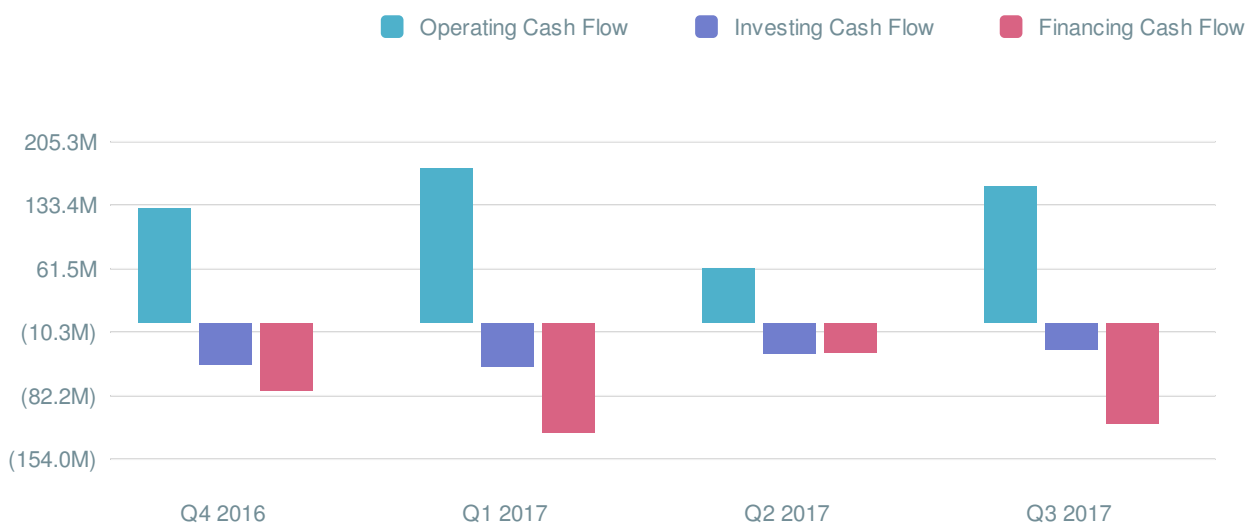
Source: Edgar | Currency: All figures shown in USD unless otherwise stated

Annual



	Fiscal Consolidated 12-31-2016	Fiscal Consolidated 12-31-2015	Fiscal Consolidated 12-31-2014	Last 3 Years
Depreciation	252,546,000	127,412,000	104,616,000	
Net Income Adjustments	56,980,000	2,026,000	25,349,000	
Changes in Liabilities	34,534,000	47,811,000	16,584,000	
Changes in Accounts Receivables	(43,136,000)	(55,890,000)	(34,116,000)	
Changes in Inventories	-	-	-	
Changes in Other Operating Activities	38,426,000	956,000	7,921,000	
Net Cash Flows - Operating Activities	547,249,000	390,328,000	448,500,000	
Capital Expenditures	(136,160,000)	(114,761,000)	(86,496,000)	
Investments	7,000	294,000	(1,957,000)	
Other Cash Flows from Investing Activities	(59,453,000)	(2,419,437,000)	(374,321,000)	
Net Cash Flows - Investing Activities	(195,606,000)	(2,533,904,000)	(462,774,000)	
Dividends Paid	(47,604,000)	(15,820,000)	(5,201,000)	
Sale and Purchase of Stock	(34,220,000)	1,176,448,000	(142,214,000)	
Net Borrowings	(280,826,000)	1,022,419,000	101,740,000	
Other Cash Flows from Financing Activities	-	-	-	
Net Cash Flows - Financing Activities	(363,255,000)	2,181,208,000	(30,049,000)	
Effect of Exchange Rate	167,000	(4,234,000)	(608,000)	
Change in Cash and Cash Equivalents	(11,445,000)	33,398,000	(44,931,000)	

Quarterly



	Q3 09-30-2017	Q2 06-30-2017	Q1 03-31-2017	Q4 12-31-2016
Depreciation	60,294,000	58,660,000	58,179,000	56,156,000
Net Income Adjustments	2,730,000	(130,117,000)	17,741,000	18,749,000
Changes in Liabilities	26,893,000	330,313,000	(1,024,000)	27,712,000

Changes in Accounts Receivables	11,936,000	(20,370,000)	25,546,000	(16,311,000)
Changes in Inventories	-	-	-	-
Changes in Other Operating Activities	14,043,000	(32,536,000)	16,321,000	24,274,000
Net Cash Flows - Operating Activities	154,965,000	61,758,000	175,320,000	129,481,000
Capital Expenditures	(28,638,000)	(29,956,000)	(33,136,000)	(35,179,000)
Investments	-	-	-	7,000
Other Cash Flows from Investing Activities	(1,287,000)	(4,129,000)	(16,621,000)	(11,937,000)
Net Cash Flows - Investing Activities	(29,925,000)	(34,085,000)	(49,757,000)	(47,109,000)
Dividends Paid	(8,958,000)	(9,893,000)	(9,364,000)	(10,790,000)
Sale and Purchase of Stock	(8,115,000)	(11,653,000)	(6,067,000)	(4,870,000)
Net Borrowings	(94,390,000)	(11,474,000)	(108,673,000)	(60,659,000)
Other Cash Flows from Financing Activities	-	-	-	-
Net Cash Flows - Financing Activities	(114,175,000)	(33,020,000)	(124,104,000)	(76,319,000)
Effect of Exchange Rate	(2,885,000)	2,515,000	1,375,000	(2,155,000)
Change in Cash and Cash Equivalents	7,980,000	(2,832,000)	2,834,000	3,898,000

Financial Ratios

Source: D&B | Currency: All figures shown in USD unless otherwise stated

Annual

Solvency Ratios	Fiscal Consolidated 12-31-2016	Fiscal Consolidated 12-31-2015	Fiscal Consolidated 12-31-2014
Current Ratio	1.43	1.30	1.20
Quick Ratio	1.25	1.14	1.06
Current Liabilities to Net Worth (%)	19.35	21.52	24.32
Total Liabilities/Net Worth (%)	148.78	158.81	130.78
Current Liabilities to Inventory (%)	-	-	-
Fixed Assets to Net Worth (%)	25.80	24.38	24.30
Cash Ratio	0.08	0.09	0.05
Efficiency Ratios	Fiscal Consolidated 12-31-2016	Fiscal Consolidated 12-31-2015	Fiscal Consolidated 12-31-2014
Accounts Payable to Sales Ratio	0.11	0.12	0.10
Sales to Working Capital Ratio	15.44	17.11	28.09
Sales To Inventory (%)	-	-	-
Assets/Sales	195.94	236.62	171.13
ROCE (%)	6.62	7.54	14.15
Profitability Ratios	Fiscal Consolidated 12-31-2016	Fiscal Consolidated 12-31-2015	Fiscal Consolidated 12-31-2014
Return On Net Worth (%)	7.35	9.78	17.23
Return on Assets (%)	2.96	3.78	7.46

Return on Sales (%)	11.96	16.36	21.67
Gross Profit Margin (%)	42.16	42.41	42.82
Operating Margin (%)	12.18	16.33	21.77
Pre-Tax Profit Margin (%)	9.21	13.76	19.08
Profit Margin (%)	5.79	8.94	12.77
Pre-Tax Return on Equity (%)	11.70	15.05	25.73
After Tax Return on Equity (%)	7.35	9.78	17.23
Operating Income to Interest Ratio	4.44	6.29	8.41

Leverage Ratios	Fiscal Consolidated 12-31-2016	Fiscal Consolidated 12-31-2015	Fiscal Consolidated 12-31-2014
EBITDA to EBIT Ratio	1.59	1.26	1.19
Debt to Income Ratio	20.23	16.23	7.59
Debt to Equity Ratio	1.49	1.59	1.31
Equity Ratio (%)	40.20	38.64	43.33
Interest Coverage Ratio	4.36	6.30	8.37
Interest Coverage to EBITDA Ratio	6.94	7.95	9.95

Quarterly

Solvency Ratios	Q3 09-30-2017	Q2 06-30-2017	Q1 03-31-2017	Q4 12-31-2016
Current Ratio	0.82	0.87	1.31	1.43
Quick Ratio	0.70	0.75	1.14	1.25
Current Liabilities to Net Worth (%)	34.65	33.28	20.12	19.35
Total Liabilities/Net Worth (%)	149.93	155.91	142.85	148.78
Current Liabilities to Inventory (%)	-	-	-	-
Fixed Assets to Net Worth (%)	25.99	26.68	25.18	25.80
Cash Ratio	0.05	0.05	0.08	0.08

Efficiency Ratios	Q3 09-30-2017	Q2 06-30-2017	Q1 03-31-2017	Q4 12-31-2016
Accounts Payable to Sales Ratio	0.84	0.77	0.42	0.42
Sales to Working Capital Ratio	(4.96)	(7.70)	4.95	3.93
Sales To Inventory (%)	-	-	-	-
Assets/Sales	794.81	766.83	784.05	770.09
ROCE (%)	1.51	(3.17)	1.76	0.95

Profitability Ratios	Q3 09-30-2017	Q2 06-30-2017	Q1 03-31-2017	Q4 12-31-2016
Return On Net Worth (%)	1.39	(5.24)	2.02	0.67
Return on Assets (%)	0.56	(2.05)	0.83	0.27
Return on Sales (%)	10.36	(21.13)	12.67	6.75
Gross Profit Margin (%)	41.69	41.60	41.31	42.12
Operating Margin (%)	10.60	(20.96)	12.84	7.57

Pre-Tax Profit Margin (%)	7.57	(23.72)	10.05	4.03
Profit Margin (%)	4.42	(15.70)	6.52	2.07
Pre-Tax Return on Equity (%)	2.38	(7.92)	3.11	1.30
After Tax Return on Equity (%)	1.39	(5.24)	2.02	0.67
Operating Income to Interest Ratio	3.80	(8.09)	4.90	2.78

Leverage Ratios	Q3 09-30-2017	Q2 06-30-2017	Q1 03-31-2017	Q4 12-31-2016
EBITDA to EBIT Ratio	1.66	0.70	1.51	1.92
Debt to Income Ratio	107.82	(29.77)	70.73	222.70
Debt to Equity Ratio	1.50	1.56	1.43	1.49
Equity Ratio (%)	40.01	39.08	41.18	40.20
Interest Coverage Ratio	3.71	(8.16)	4.84	2.48
Interest Coverage to EBITDA Ratio	6.16	(5.69)	7.33	4.76

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Stericycle Mailback Solutions

Sharps Mailback System:

Ideal For: Back of Store / Loss Prevention / Warehouse

Everything you need to properly and safely package and dispose of your sharps waste including needles, injector pens, syringes and other small quantities of medical waste. System includes:

- FDA approved mailable sharps container
- Plastic liner, bar-coded return shipping container
- Postage prepaid return-by-mail shipping box
- Manifest and instructions for use
- Proof of proper disposal

ITEM NUMBER	ITEM DESCRIPTION
	<p><u>1.4 Quart Sharps Disposal Mailback System</u> Item: 1Q1V4</p> <p>1.4 Quart container will hold approximately 50-70 1cc syringes. Also available as a multipack of 5.</p>
	<p><u>1 Gallon Sharps Disposal Mailback System</u> Item: 1G1V4</p> <p>1 Gallon sharps container will hold approximately 250-270 1cc syringes. Also available as a multipack of 2.</p>
	<p><u>2 Gallon Sharps Disposal Mailback System</u> Item: 2G1V4</p> <p>2 Gallon sharps container will hold approximately 530-570 1cc syringes. Also available as a multipack of 2.</p>



3 Gallon Sharps Disposal Mailback System

Item: 3G1V4

3 Gallon sharps container will hold approximately 840-860 1cc syringes.



Stericycle Mailback Wall Bracket (no lock)

Item: MBBRKT

Mountable bracket to ensure sharps containers are securely fastened to the wall or other surface.

For Use With: 1.4 Quart, 1 Gallon, 2 Gallon and 3 Gallon mailback sharps containers.



Stericycle Mailback Wall Bracket With Lock

Item: MBBRKTLC

Mountable bracket to ensure sharps containers are securely fastened to the wall or other surface. Lock feature provides security, prevents unwanted access – padlock included.

For Use With: 1.4 Quart, 1 Gallon, 2 Gallon and 3 Gallon mailback sharps containers.

Multi-Pack Sharps Mailback Systems:



1.4 Quart Sharps Disposal Mailback System – 5 Pack

Item: 1Q5V4

Includes five 1.4 Quart sharps container and one postage prepaid return-by-mail shipping box. Once all 5 containers are filled, send to Stericycle for disposal. Each 1.4 Quart container will hold approximately 50-70 1cc syringes, for a total capacity of 250-350 1cc syringes.



1 Gallon Sharps Disposal Mailback System Twin Pack

Item: 1G2V4

Includes two 1 Gallon sharps containers and one postage prepaid return-by-mail shipping box. Once both containers are filled, send to Stericycle for disposal. Each 1 Gallon container will hold approximately 250-270 1cc syringes, for a total capacity of 500-540 1cc syringes.



2 Gallon Sharps Disposal Mailback System Twin Pack

Item: 2G2V4

Includes two 2 Gallon sharps containers and one postage prepaid return-by-mail shipping box. Once both containers are filled, send to Stericycle for disposal. Each 2 Gallon sharps container will hold approximately 530-570 1cc syringes, for a total capacity of 1060-1140 1cc syringes.

Medical Waste Pail Mailback Solutions:

Ideal For: Disposal of Red Bags / Existing Waste / Existing Sharps Containers

Everything you need to properly and safely package and dispose of your red bag waste including gloves, bandages, gauze, spill kits as well as contaminated materials including filled sharps containers and other soft waste. **NOTE: DO NOT DISPOSE OF LOOSE SHARPS IN PAIL.**

System includes:

- USPS approved mailable container
- Plastic liner, bar-coded return shipping container
- Postage prepaid return-by-mail shipping box
- Manifest and instructions for use
- Proof of proper disposal

ITEM NUMBER ITEM DESCRIPTION



1 Gallon Medical Waste Mailback System

Item: 1GWMV4

Use for red bag waste or small existing sharps container that may be present.



5 Gallon Medical Waste Mailback System

5GWMV5

Use for red bag waste or small existing sharps container that may be present.



1 Gallon RMW Mailback System with Spill Kit

Item: 1GWMSK

Includes the 1 Gallon Medical Waste Mailback System plus the personal protective equipment necessary to clean up a biohazardous spill (such as blood due to injuries): *2 Pair large Nitrile gloves and 1 Eye / Face shield combination, 1 Gown, 1 Head Cap and 1 pair of shoe covers, 1 4oz. Sanizide plus spray, 1 - 21g green Z absorbent material, 1 scooper and scraper wide plastic, 1 absorbent wiper towel, 1 hand wipe disinfectant, 1 biohazard bag, 1 twist tie.*



1 Gallon RMW Mailback System with Spill Kit

Item: 1GWMSK2

Includes the 1 Gallon Medical Waste Mailback System plus the personal protective equipment necessary to clean up a biohazardous spill (such as blood due to injuries): *2 Pair large Nitrile gloves and 1 Eye / Face shield combination, 1 Gown, 1 Head Cap and 1 pair of shoe covers, 1 4oz. Sanizide plus spray, 1 - 21g green Z absorbent material, 1 scooper and scraper wide plastic, 1 absorbent wiper towel, 1 hand wipe disinfectant, 1 biohazard bag, 1 twist tie **PLUS tweezers and one 1 Quart sharps container.***

Stainless Steel Mailback Solutions:
Ideal for Public / Employee Restroom Sharps Programs

Stericycle's Stainless Steel Needle Drop Mailback Solutions offer a secure and sleek solution to provide a safe and convenient way for customers and employees to dispose of their used sharps from self-injecting prescription medications while on your premises. Each Stainless Steel cabinet is wall mountable and includes 2 keys for secure entry into the needle drop cabinet.

ITEM NUMBER ITEM DESCRIPTION



Stainless Steel Wall Cabinet with 1.4 Quart Container

Item: NDCSTR1

Includes the stainless steel cabinet and one 1.4 Quart sharps container to begin collecting used sharps. This item does NOT include a postage prepaid return packaging box. Replacement mailback kits sold separately (see item 1Q1V4). One cabinet per restroom recommended. Most store locations will require 2 cabinets to begin.



Total Start-Up Costs for Public/Employee Restroom Sharps Program:

Includes two stainless steel cabinets, two 1.4 Quart sharps containers, and one 1.4 Quart Sharps Mailback System replacement.
(This is the recommended set up per store or location.)